






Forest Stewardship Council®



# Requirements for Sourcing FSC® Controlled Wood

FSC-STD-40-005 V3-1 EN



<b>Title:</b>	Requirements for Sourcing FSC® Controlled Wood
<b>Document reference code:</b>	FSC-STD-40-005 V3-1 EN
<b>Approval body:</b>	FSC Board of Directors
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**Requirements for Sourcing FSC® Controlled Wood**

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The Forest Stewardship Council® (FSC) is an independent, not for profit, non-government organization established to support environmentally appropriate, socially beneficial, and economically viable management of the world's forests.

FSC's vision is that the world's forests meet the social, ecological, and economic rights and needs of the present generation without compromising those of future generations.

## Version History

- V1-0** In September 2004, the FSC Board of Directors endorsed the initial version of FSC-STD-40-005 V1-0 *FSC standard for non FSC-certified Controlled Wood*.
- V2-0** Major revision of the standard. The amendments in V2-0 of FSC-STD-40-005 resulted from the Controlled Wood technical working group recommendations and the comments submitted by stakeholders during the revision process of the FSC Controlled Wood standards in 2005 and 2006. The version 2-0 of FSC-STD-40-005 *Standard for company evaluation of FSC Controlled Wood* was approved by the FSC Board of Directors in October 2006.
- V2-1** This minor revision of the standard included amendments to clarify minor inconsistencies in the previous version 2-0. This document version was approved by the FSC Executive Director in April 2007.
- V3-0** The main trigger for this major revision of the standard was Membership Motion 51 'Strengthening the Controlled Wood system' of the 2011 FSC General Assembly. The version 3-0 of FSC-STD-40-005 *Requirements for Sourcing FSC Controlled Wood* was approved by the FSC Board of Directors in November 2015 and published in December 2015.
- V3-1** This revision of the standard was conducted to include changes resulting from decisions by the FSC Board of Directors from BM72 in July 2016. Additionally the revision includes further alignment with the EUTR and editorial corrections. This document version was approved by the FSC Director General in February 2017 and published in March 2017.

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## A Objective

This standard outlines the requirements for a due diligence system for FSC Chain of Custody certified organizations to avoid material from unacceptable sources. Material from unacceptable sources cannot be used in FSC Mix products.

The five FSC controlled wood categories of unacceptable sources (referred to as controlled wood categories) are:

- 1) Illegally harvested wood;
- 2) Wood harvested in violation of traditional and human rights;
- 3) Wood from forests in which high conservation values are threatened by management activities;
- 4) Wood from forests being converted to plantations or non-forest use; and
- 5) Wood from forests in which genetically modified trees are planted.

## B Scope

This standard establishes the requirements for a due diligence system to evaluate and mitigate risk associated with material supplied without an FSC claim.

In its main application, this standard requires the use of risk assessments to evaluate the risk of sourcing from unacceptable sources. When specified or unspecified risk for the source of the material or risk of mixing in the supply chain is identified, control measures shall be implemented by the organization to mitigate the risk.

This standard is applicable for organizations applying *FSC-STD-40-004 Chain of Custody Certification* that wish to include controlled wood in the scope of their certificate. Such organizations can apply this standard to verify non-FSC-certified material as acceptable for the purpose of producing and selling FSC Controlled Wood and/or FSC Mix products. It is not intended for sourcing material with the FSC Controlled Wood claim from FSC certified organizations.

All aspects of this standard are considered to be normative, including the scope, effective date, references, terms and definitions, and tables and annexes, unless otherwise stated.

This standard shall not be used by an organization to source FSC Controlled Wood from supply units that it (or an affiliated organization) owns or manages, unless an FSC risk assessment for all five controlled wood categories has been scheduled for an area covering the supply units by 31 December 2017. Where an FSC risk assessment is not scheduled, these sources can be independently certified according to the standards *FSC-STD-01-001 FSC Principles and Criteria*, or *FSC-STD-30-010 Forest Management Requirements for FSC Controlled Wood Certification*.

## C Effective and validity dates

Approval date	11 November 2015
Publication date	18 December 2015
Effective date	01 July 2016
Transition period	01 July 2016 - 31 December 2017
Period of validity	Until replaced or withdrawn

## D References

The following documents, in whole or in part, are normatively referenced in this document and are relevant for its application. For undated references, the latest edition of the referenced document (including any amendments) applies.

*FSC-PRO-60-002a FSC National Risk Assessment Framework (for the implementation of Annex A)*

*FSC-PRO-60-002b List of FSC Approved Controlled Wood Documents*

*FSC-STD-40-004 Chain of Custody Certification*

*FSC-STD-50-001 Requirements for Use of the FSC Trademarks by Certificate Holders*

## E Terms and definitions

For the purpose of this standard, the terms and definitions provided in *FSC-STD-01-001 FSC Principles and Criteria for Forest Stewardship*, *FSC-STD-01-002 FSC Glossary of Terms*, *FSC-STD-40-004 Chain of Custody Certification*, *FSC-PRO-60-002a FSC National Risk Assessment Framework*, and the following apply:

NOTE: Some of the terms included in this standard have updated definitions that differ from the definitions included in previously published FSC normative documents.

**Co-product:** Output produced during the process of primary manufacturing of another (principal) product from the same inputs (e.g. sawdust and chips generated during lumber processing).

**Complaint:** An expression of dissatisfaction, provided in writing and supported by facts, by a third party in relation to the organization's conformity with this standard.

NOTE: This includes complaints provided in relation to an organization's suppliers and/or sub-suppliers.

**Control measure (CM):** An action that the organization shall take in order to mitigate the risk of sourcing material from unacceptable sources.

**Controlled material:** Input material supplied without an FSC claim, which has been assessed to be in conformity to the requirements of the standard *FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood*.

**Due diligence system (DDS):** A system of measures and procedures to minimize the risk of sourcing material from unacceptable sources. A DDS contains the following three elements: obtaining information, risk assessment, and risk mitigation (when needed).

NOTE: This is an adaptation of due diligence system as per Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market (known as the EU Timber Regulation or EUTR).

**Forest conversion:** Removal of natural forest by human activity, without subsequent regeneration.

NOTE: Conversion may occur due to changing land use (e.g. establishment of plantations, agriculture, pasture, urban settlements, industry or mining), or where forest has been cleared by forest management practices and not regenerated. The maximum time period between clearing and establishment of regeneration should be determined based on existing legislation, codes of best practices, etc., relevant for the area under assessment.

(Source: *FSC-PRO-60-002a FSC National Risk Assessment Framework*)

**FSC Controlled Wood:** Material or product with the 'FSC Controlled Wood' claim.

**FSC Global Forest Registry:** Online database containing data that may support the implementation of FSC controlled wood requirements. URL: [www.globalforestregistry.org](http://www.globalforestregistry.org)

**Low risk:** A conclusion, following a risk assessment, that there is negligible risk that material from a specific geographic area originates from unacceptable sources. (Source: *FSC-PRO-60-002a FSC National Risk Assessment Framework*)

NOTE: FSC interprets low risk to be consistent with negligible risk as per the EU Timber Regulation.

**Low risk area:** An area where low risk for sourcing material has been identified through a risk assessment process.

**Material:** Material originating from a forest (e.g. wood and wood products, and non-timber forest products), or salvaged wood, without an FSC claim, that is being evaluated by the organization to determine whether it originates from acceptable sources.

**Non-eligible inputs:** Any material input that is not eligible to enter a specific FSC product group. (Source: modified definition of 'Eligible inputs', *FSC-STD-40-004 Chain of Custody Certification*)

#### **Box 1: Definitions**

Differences between 'material', 'controlled material' and 'FSC Controlled Wood' can be outlined as follows:

**Material** is assessed by the organization according to this standard. After confirming that the standard requirements are met, it can become either controlled material or FSC Controlled Wood;

**Controlled material** is material confirmed as being in conformity with this standard and is used internally by the organization as an input material category in FSC production;

**FSC Controlled Wood** is material confirmed as being in conformity with this standard, standard *FSC-STD-40-004*, or standard *FSC-STD-30-010*, either purchased as such from a supplier (under the scope of *FSC-STD-40-004*) or classified as such by the organization implementing this standard, for sale to another organization (not used in internal production).

**Organization:** The person or entity holding or applying for certification, and therefore responsible for demonstrating compliance with the applicable requirements upon which FSC certification is based. (Source: *FSC-STD-01-001 FSC Principles and Criteria for Forest Stewardship*)

**Origin:** Area where material was harvested.

NOTE: The scale used to define origin can vary (e.g. province or supply unit), and will depend on the risk designation of the particular area, and control measures if applicable.

**Quality management system (QMS):** The organizational structure, policies, procedures, processes and resources needed to implement quality management.

**Risk assessment:** An assessment of the risk of sourcing material from unacceptable sources, including risk related to origin and mixing material in supply chains.

There are several types of risk assessment for origin (Figure 1):

**National risk assessment (NRA):** An assessment of the risk of sourcing from unacceptable sources in a given country/region, developed according to *FSC-PRO-60-002 The Development and Approval of FSC National Risk Assessments*. (Source: *FSC-PRO-60-002 The Development and Approval of FSC National Risk Assessments*)

NRAs approved according to *FSC-PRO-60-002 V2-0* ('old NRAs') remain valid until 31 December 2018. If the NRA is not revised according to *FSC-PRO-60-002 V3-0* by 31 December 2018, areas covered become unassessed areas.

**Centralized national risk assessment (CNRA):** National risk assessment or part thereof developed by FSC International Center.

NOTE: NRA and CNRA are collectively referred to as FSC risk assessment.

**Company risk assessment (CRA):** An organization's assessment of the risk of sourcing from unacceptable sources in unassessed areas, developed according to Annex A of *FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood*. This risk assessment can only be used for a country or part thereof where an FSC risk assessment for all five controlled wood categories has been scheduled by 31 December 2017.

**Extended company risk assessment (ECRA):** An organization's assessment of the risk of sourcing from unacceptable sources in unassessed areas, developed according to *FSC-PRO-60-002a FSC National Risk Assessment Framework* and the standard *FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood*.

The risk assessment of mixing material in supply chains is conducted by the organization for its supply chains.





1. National risk assessment (NRA) developed according to FSC-PRO-60-002 V3-0  
Shall be used by the organization if it exists.
  2. Centralized national risk assessment (CNRA)  
Shall be used if completed for all five controlled wood categories, where there is no NRA developed according to FSC-PRO-60-002 V3-0, and instead of an NRA developed according to FSC-PRO-60-002 V2-0.
  3. National risk assessment (NRA) developed according to FSC-PRO-60-002 V2-0 ('old NRAs')  
Shall be used if there is neither an NRA developed according to FSC-PRO-60-002 V3-0 nor a completed CNRA. It shall not be used after 31 December 2018.
  4. Company risk assessment  
May only be conducted while waiting for the delivery of the NRA or CNRA where these are scheduled.
- OR
- Extended company risk assessment  
May only be conducted for unassessed risk areas where there is no FSC risk assessment available.

Figure 1. The hierarchy of risk assessments that may be used for the implementation of this standard. The highest listed risk assessment that exists for the supply area shall be used (beginning with 1. National risk assessment (NRA) developed according to FSC-PRO-60-002 V3-0). For the list of approved NRAs, and information about the version of FSC-PRO-60-002 used for NRA development, see FSC-PRO-60-002b List of FSC Approved Controlled Wood Documents.

**Specified risk:** A conclusion, following a risk assessment conducted according to FSC-PRO-60-002a FSC National Risk Assessment Framework, that there is risk which cannot be determined as low that forest products from unacceptable sources may be sourced or enter the supply chain from a specific geographic area. The nature and extent of this risk is specified for the purpose of defining efficient control measures. (Source: FSC-PRO-60-002a FSC National Risk Assessment Framework)

**Specified risk area:** An area where specified risk for sourcing material has been identified through the risk assessment process as described in FSC-PRO-60-002a FSC National Risk Assessment Framework. (Source: FSC-PRO-60-002a FSC National Risk Assessment Framework)

**Supplier:** Individual, company, or other legal entity providing material to the organization.

**Sub-supplier:** Individual, company, or other legal entity providing material to a supplier, or another sub-supplier.

**Supply area:** The geographical area from which material is sourced. The supply area does not need to be defined as a single contiguous area; it may comprise multiple separate areas that span multiple political jurisdictions including countries or multiple forest types.

**Supply unit:** Forest with clearly defined boundaries that is managed to a set of forest management objectives. It includes all facilities and areas within or adjacent to these spatial areas that are under legal title or management control of, or operated by or on

behalf of, the forest manager for the purpose of contributing to the management objectives.

NOTE: The spatial relationship between supply area and supply unit is illustrated in Figure 2.

**Unacceptable sources:** Sources of material that do not meet the requirements of the controlled wood categories.

**Unspecified risk:** A conclusion, following an NRA conducted according to *FSC-PRO-60-002 V2-0* or a company risk assessment, that there is risk which cannot be determined as low risk that forest products from unacceptable sources may be sourced or enter the supply chain from a specific geographic area.

**Unassessed area:** Area that is not covered by an FSC risk assessment.

**Verbal forms for the expression of provisions**

[Adapted from *ISO/IEC Directives Part 2: Rules for the structure and drafting of International Standards*]

“*shall*”: indicates requirements strictly to be followed in order to conform to the standard.

“*should*”: indicates that among several possibilities one is recommended as particularly suitable, without mentioning or excluding others, or that a certain course of action is preferred but not necessarily required. An FSC-accredited certification body can meet these requirements in an equivalent way provided this can be demonstrated and justified.

“*may*”: indicates a course of action permissible within the limits of the document.

“*can*”: is used for statements of possibility and capability, whether material, physical or causal.

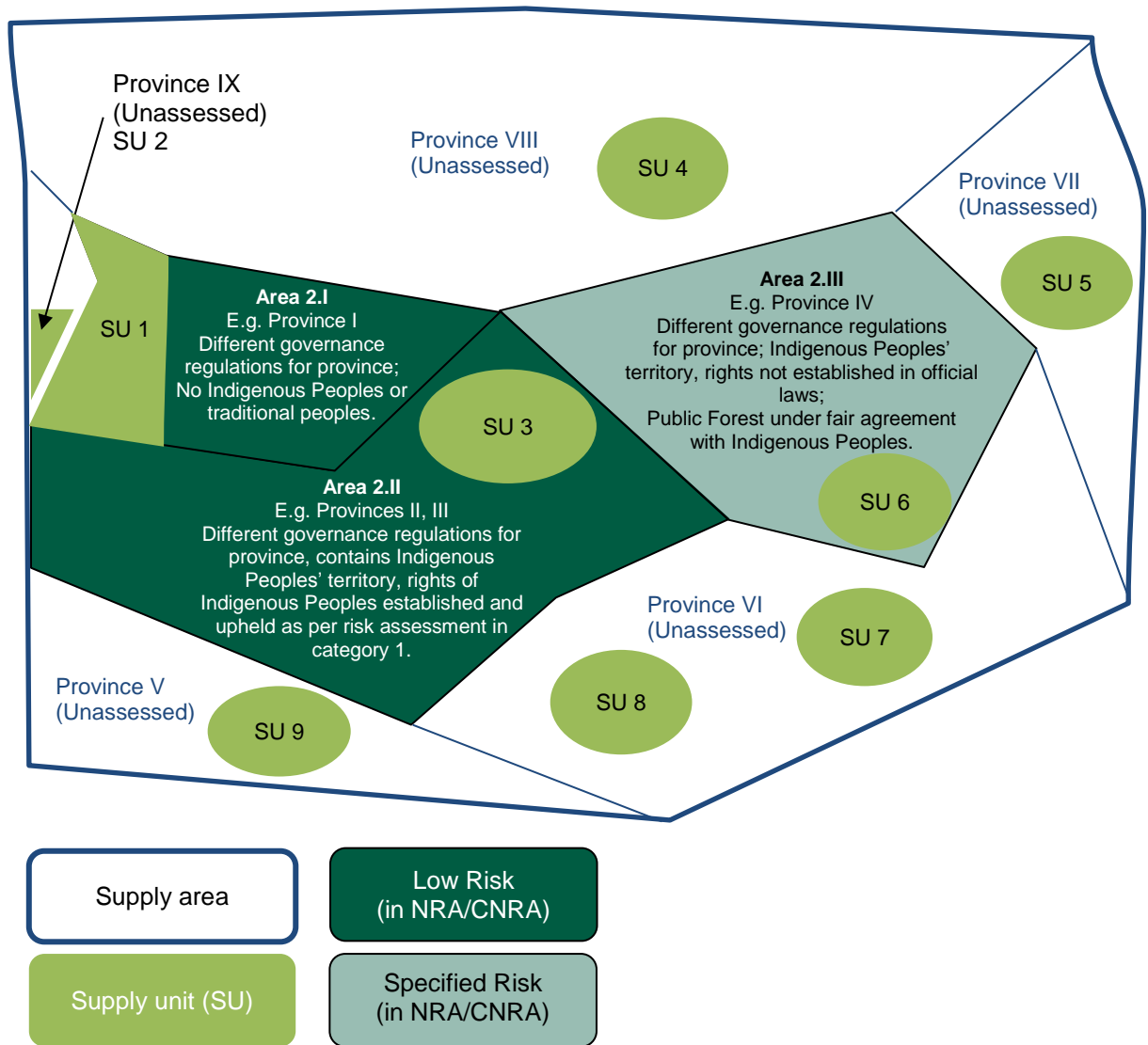


Figure 2. Example of the spatial relationship between supply area, area of homogenous risk designation in the approved FSC risk assessments (using controlled wood category 2 as an example), and supply unit.

## PART I DUE DILIGENCE SYSTEM

### 1 Implementation and maintenance of a due diligence system

1.1 The organization shall have, implement, and maintain a documented due diligence system (DDS) for material supplied without an FSC claim to be used as controlled material or to be sold with the FSC Controlled Wood claim.

NOTE: The organization can choose to develop its own DDS or apply a DDS developed by an external party. The certification body<sup>1</sup> that evaluates the conformity of the organization with this standard is not eligible to develop the DDS.

1.2 The organization shall include all suppliers and sub-suppliers<sup>2</sup> of the material assessed according to this standard in its DDS (see Figure 3).

NOTE: Suppliers and sub-suppliers are not expected to implement this standard, and it is the responsibility of the organization to ensure conformity. The organization may request suppliers to follow part(s) of this standard to achieve conformity.

1.3 The organization shall ensure that the organization, the certification body, and Accreditation Services International are granted access to evidence of conformity with applicable requirements of this standard, including access to documents, sites, premises of suppliers and sub-suppliers, and supply units, where relevant.

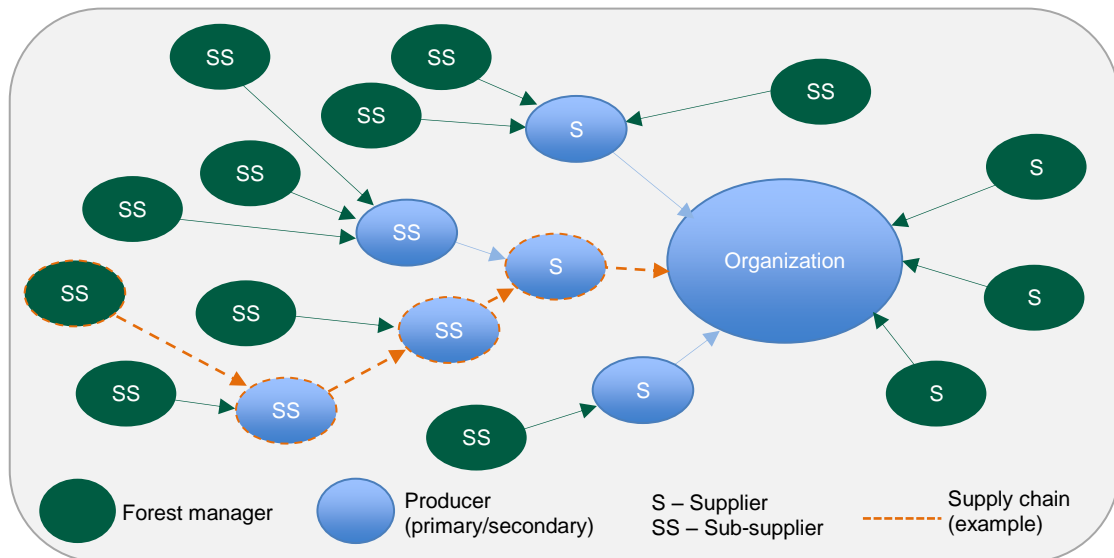


Figure 3. Example of an organization's suppliers and supply chains through which material is sourced.

1.4 The organization shall not apply its DDS to forest resources that it or any affiliated organization owns or manages, unless an FSC risk assessment for all five controlled wood categories has been scheduled for an area covering the supply units by 31 December 2017.

<sup>1</sup> 'Certification body' always refers to the FSC-accredited certification body that evaluates the conformity of the organization with this standard unless otherwise stated.

<sup>2</sup> Inclusion of suppliers and sub-suppliers is not equivalent to listing all sub-suppliers in the supply chain(s). Names and addresses of suppliers are required in Clause 2.1. The level of additional information required from the supply chain(s) (and sub-suppliers) will depend on the identified risk and control measures.

1.5 The organization shall only use material as controlled material or sell material with the FSC Controlled Wood claim<sup>3</sup> if it is in conformity with the requirements of this standard, confirmed through the DDS.

NOTE: This applies concurrently with Clauses 3.5 and 4.14.

1.6 The organization shall review and, if necessary, revise its DDS at least annually, and whenever changes occur that affect the relevance, effectiveness, or adequacy of the DDS (see Figure 4).

NOTE 1: Means to verify the relevance, effectiveness, or adequacy of the DDS may include, but are not limited to, stakeholder consultation, field verification and document verification, all of which may be included in internal audits as per Clause 1.7.

NOTE 2: Field verification may be conducted at the supply unit level or supplier/sub-supplier's site. When/if applied, the frequency and scope of field verification will depend on the risk identified by the organization in its DDS.

NOTE 3: Stakeholder consultation, field verification, and document verification may also be implemented as control measures. In such cases, the requirements of Section 4 apply.

NOTE 4: Review of the DDS includes, but is not limited to, a review of any changes in the risk assessment used (see Section 3), and a review of the organization's control measures (see Section 4).

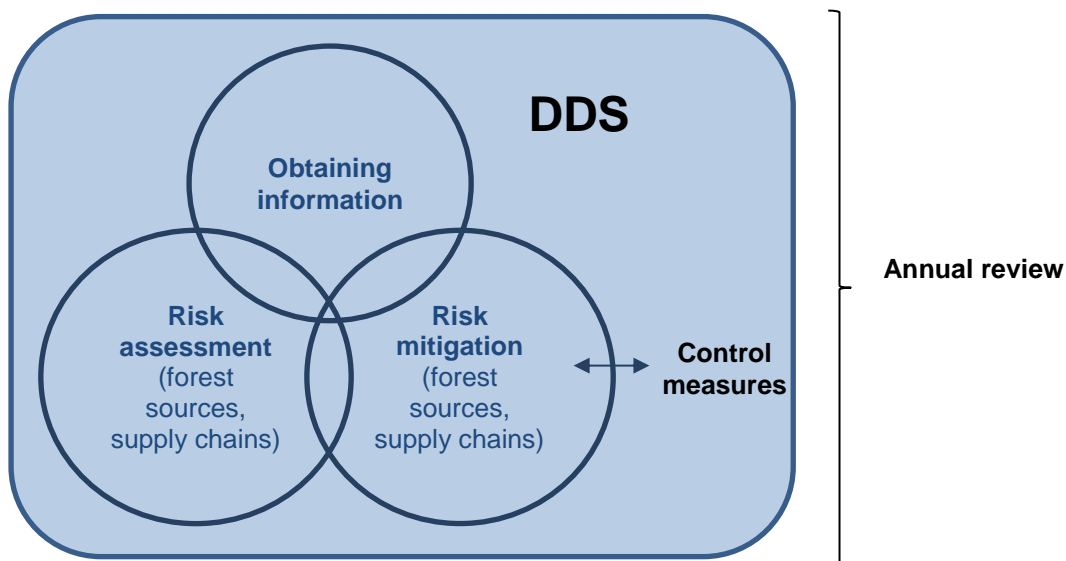


Figure 4. Elements of the due diligence system, and the scope of its verification.

1.7 The organization shall implement internal audits of its DDS at least annually to ensure that it is being implemented correctly.

1.8 The organization shall document the scope, dates, and staff involved in internal audits.

1.9 The organization shall document all cases of the DDS being evaluated as ineffective during the internal audit, and shall ensure that all relevant issues are addressed and corrected within 12 months of their detection.

<sup>3</sup> Sales requirements in *FSC-STD-40-004 Chain of Custody Certification* apply.

- 1.10 The organization shall not use material from supply chains where ineffectiveness of the DDS leads to, or might lead to, non-eligible inputs entering the production.

## **2 Obtaining information on material**

- 2.1 The organization shall obtain, document and maintain the following up-to-date information on material:

- a) Names and addresses of suppliers;
- b) Description of the material;
- c) Quantity of the material purchased by volume or weight;
- d) The species (including scientific and common name), where the species information designates the product characteristics and/or where required by applicable timber legality legislation;

NOTE: A list of possible species is acceptable for material used in paper, composite board, and other products that usually contain many species.

- e) Purchase documentation;
- f) Applicable risk assessment;
- g) The country of harvest, where required by applicable timber legality legislation;
- h) Evidence of origin, according to 2.2; and
- i) Information about supply chains, according to 2.3.

- 2.2 The organization shall maintain evidence of the origin of material that allows it to (subject to 2.5)<sup>4</sup>:

- a) Identify the area with a homogeneous risk designation for each controlled wood category in the applicable risk assessment; or
- b) Confirm that material was harvested from FSC certified sources, or previously controlled sources (where material was previously sold with the FSC Controlled Wood claim), but supplied to the organization without an FSC claim.

2.2.1 A declaration from a supplier shall only be used as part of the body of evidence for demonstrating the origin. A supplier's declaration alone, even if covered by a contractual agreement, is not considered sufficient proof of origin.

- 2.3 The organization shall have access to information on its supply chains (including sub-suppliers) to a level that allows it to confirm and document:

- a) The origin of the material;
- b) The risk related to the origin, and the risk related to mixing with non-eligible inputs in the supply chain (according to Section 3); and
- c) The mitigation of risk (according to Section 4).

NOTE: Access to information is to be understood as having copies of said information on hand during the audit, or being able to ensure that, upon request,

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<sup>4</sup> This clause does not mean that the origin must always be proven to the supply unit of origin. This would only be needed in case a risk assessment (either company, or FSC risk assessment) is conducted at the scale of the supply unit. Where specified and unspecified risk is designated, there may be control measures that need to be implemented in the supply unit(s) of origin. In such cases, information on the supply unit of origin will be needed.

the certification body or Accreditation Services International can obtain copies before the close of the audit.

### **Box 2: Documenting origin**

Relevant documentation may include, but is not limited to, legally required transport documents and proof of purchase from the supply unit of origin (see below), and the relevant invoicing system used in the area(s) of origin. Evidence of origin may be verified by the organization at the supplier's site, and/or off site, using copies of relevant documentation.

Information on the supply unit of origin is not always required for evidence of origin, but will be needed if a control measure (e.g. field verification) is relevant on that scale.

- 2.4 The organization shall enforce its suppliers to notify it of any changes that may affect a risk designation or the mitigation of risk, such as changes in species, origin, or supply chain.
- 2.5 For co-product inputs, the organization shall document the origin as per 2.2, or with a legally effective and enforceable agreement with the supplier of the co-products that includes a statement on the origin.
- 2.5.1 A written supply agreement shall include:
- a) Information about the origin of the co-products that allows the area with a homogeneous risk designation in the applicable risk assessment to be identified for all five controlled wood categories (e.g. province and/or forest type/ownership);
  - b) A commitment that, in cases where material originates from specified risk areas, the supplier will support the organization to collect the information needed to implement control measures.
- 2.5.2 In the case of a supply agreement, the organization shall verify the information provided to confirm that:
- a) The supplied species are commercially harvested in the declared supply area (and accompanied by a CITES<sup>5</sup> certificate, if required);
  - b) The type and quality of the supplied material are commercially available from the declared supply area; and
  - c) The distance and means of transportation to the organization (or to the supplier's site when the supplier is purchasing co-product inputs) are consistent with the declared supply area, and are economically viable.

**NOTE:** It is the responsibility of the organization to confirm the above and come to a fair and objective judgment regarding the plausibility and reliability of the information provided by the supplier. The precautionary approach<sup>6</sup> should be applied.

<sup>5</sup> Convention on International Trade in Endangered Species of Wild Fauna and Flora ([www.cites.org](http://www.cites.org))

<sup>6</sup> The precautionary approach in the context of this standard means that measures and actions must be taken in order to reduce or avoid harm to the resources, the environment, and the people, to the extent possible.



- 2.5.3 The organization shall not use material as controlled material, nor sell it with the FSC Controlled Wood claim, if 2.5.2 a, b, or c are not confirmed.
- 2.6 Products and material from species listed in Appendices 1, 2, or 3 of CITES that will be imported, exported, or re-exported, shall be accompanied by the applicable valid certificates.

### **3 Risk assessment**

- 3.1 The organization shall use the applicable FSC risk assessment to determine the risk related to the origin of the material for each controlled wood category.
- 3.1.1 The organization may use an FSC risk assessment under development, including:
- a) Approved risk assessment for controlled wood categories of a centralized national risk assessment, and/or,
  - b) Draft risk assessment for controlled wood categories developed under a national risk assessment process when agreed by national consensus (according to the information provided on the FSC website).
- 3.1.2 For the organization that wants to demonstrate compliance with EUTR requirements through conformance with this standard, the assessment for category 1 in the 'old NRA' shall be replaced by a draft FSC risk assessment for category 1 developed according to FSC-PRO-60-002 V3-0.
- 3.2 The organization shall adapt its DDS to use FSC risk assessments within six (6) months of the date of FSC risk assessment approval by FSC, unless an extension is justified and approved by the certification body.
- 3.3 Risk assessment of unassessed areas shall only be possible according to the following:
- a) The organization may conduct its own risk assessment according to the requirements in Annex A; and
  - b) The organization shall obtain approval of its risk assessment, conducted for its supply area, and/or extended to new supply areas, from the certification body before using risk designations in its DDS.

NOTE: The use of an FSC risk assessment is not required if material is classified as per 3.6. For an illustration of the use of different sources of risk designations, see Figure 5 in Annex A.

- 3.4 The organization shall assess and document the risk of mixing material with non-eligible inputs in its supply chains during transport, processing, and storage.
- 3.5 The organization may use material as controlled material and/or sell it with the FSC Controlled Wood claim if it has been confirmed as low risk for all indicators in the applicable risk assessment, and there is no risk of mixing with non-eligible inputs in the supply chains.
- 3.6 The organization may use material as controlled material and/or sell it with the FSC Controlled Wood claim if it previously carried the FSC 100% or FSC Controlled Wood claims (but was supplied without an FSC claim), and if there



is evidence that no mixing with non-eligible inputs has taken place in the non-FSC-certified supply chain<sup>7</sup>.

- 3.7 Whenever specified or unspecified risk related to origin and/or risk related to mixing with non-eligible inputs in the supply chain is determined, the organization shall implement the requirements of Section 4 before material can be used as controlled material or sold with the FSC Controlled Wood claim.

### **Box 3: Where is the risk?**

Risk is considered from the following perspectives:

- a) Origin – this involves a risk of sourcing from unacceptable sources, where unacceptable management practices or related activities take place. This risk is assessed for a particular geographical area according to the applicable risk assessment requirements, and is provided through an NRA, a CNRA, or the organization’s own risk assessment (see definition of risk assessment in Section E).
- b) Supply chain through which material is sourced – this risk includes consideration of what is happening to material (which has been harvested in an area of particular risk determination as per ‘a’ above) in the supply chain(s). This includes the risk that material is mixed with non-eligible inputs or material with a different origin, which would not allow the risk related to origin to be confirmed. This risk is specific to the organization and additional to ‘a’ above.

In order to efficiently mitigate risk, both perspectives must be considered, and risk mitigation measures must be applied at the proper ‘level’ of the supply chain.

In practical terms, and from the organization’s perspective, a risk assessment is a thorough look at its supply chain to identify situations, processes, etc., that may result in unacceptable or non-eligible sources entering the supply chains. After risk is assessed, the organization evaluates how likely and severe the risk is in terms of its operations (and respective FSC risk assessment), decides what control measures are needed to prevent this from occurring, and then implements them.

## **4 Risk mitigation**

- 4.1 The organization shall have and implement adequate control measures to either avoid or to mitigate specified or unspecified risk related to origin and/or risk related to mixing with non-eligible inputs in the supply chain. When control measures are to mitigate risk, then the rest of Section 4 applies.

NOTE: Examples of control measures and guidance for developing them are contained in Annex E.

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<sup>7</sup> A non-FSC-certified supply chain is the supply chain between the organization upstream in the supply chain that sold FSC-certified material or FSC Controlled Wood, and the organization implementing this standard and assessing material.

*Control measures established by the organization*

- 4.2 The desired outcome of each control measure shall be clearly stated.
- 4.3 Where legal requirements may be in conflict with adequate control measures, control measures shall be approved by the certification body before they are implemented.

NOTE: Conflicts only occur where a legal obligation prevents the implementation of control measures. It is not considered a conflict if the control measures exceed the minimum requirements for legal compliance.

- 4.4 Applicable approved controlled wood documents listed in *FSC-PRO-60-002b List of FSC Approved Controlled Wood Documents* (e.g. high conservation value assessment frameworks, national or regional guidance) shall be used when establishing control measures.
- 4.5 Indicators and verifiers in an approved Forest Stewardship National Standard, certification body standard, or International Generic Indicators may be used for control measures where relevant.
- 4.6 Whenever stakeholder consultation is required as a control measure, it shall be conducted according to the requirements in Annex B.
- 4.7 The organization may conduct stakeholder consultation according to the requirements in Annex B in order to verify the adequacy of its control measures.
- 4.8 In the case that unspecified risk is designated for controlled wood categories 2 or 3, the organization shall conduct stakeholder consultation as one of the control measures.

NOTE: Unspecified risk areas may result either from 'old NRAs' or from a company risk assessment conducted by the organization (see Annex A).

- 4.9 For controlled wood categories 2 and 3, the organization shall use the opinion of at least one expert to justify the adequacy of control measures. Experts used shall meet the minimum requirements provided in Annex C.

NOTE: The organization may also use publicly available reference material developed by experts (who meet the requirements of Annex C) to justify the adequacy of control measures.

- 4.10 For material originating from areas not covered by an NRA approved according to *FSC-PRO-60-002 V3-0*, and where there is specified or unspecified risk related to traditional and human rights<sup>8</sup>:
- a) Material shall not originate from areas where there is substantial evidence of widespread violation of the rights of Indigenous Peoples or traditional peoples;
  - b) Material shall not originate from areas where there is conflict of substantial magnitude pertaining to the rights of Indigenous Peoples and/or traditional peoples, unless steps that are recognized by the affected Indigenous Peoples and/or traditional peoples as fair and equitable are being taken by the conflicted parties to resolve the conflict, or free, prior, and informed consent (FPIC) is given by the affected Indigenous Peoples and/or traditional peoples for management activities related to the sourcing of material; and
  - c) The organization shall obtain the opinion of at least one expert, and seek the opinion of the relevant FSC network partner(s) on requirements relating to

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<sup>8</sup> This includes the results for indicator 2.3 in risk assessments conducted according to *FSC-PRO-60-002a* (FSC risk assessment or extended company risk assessment), or indicators 2.4 and 2.5 in the NRAs developed according to *FSC-PRO-60-002 V2-0*, or in a company risk assessment.

FPIC when implementing 4.10 b). The experts shall meet the minimum requirements provided in Annex C.

4.11 For material originating from areas not covered by an NRA approved according to *FSC-PRO-60-002 V3-0*, and where there is specified or unspecified risk related to high conservation values (HCVs) 2-6:

a) HCV 2 (Landscape-level ecosystems and mosaics):

Material shall not originate from commercial logging in Intact Forest Landscapes<sup>9</sup> (IFLs), and shall not originate from areas where management activities contribute to/increase the fragmentation of IFLs.

b) HCV 3 (Ecosystems and habitats):

Material shall not originate from areas where HCVs are present, unless specific measures that are designed to protect the HCV inherent in the ecosystem (e.g. logging in areas of rare, threatened, or endangered ecosystems is designed to protect the extent and values of these ecosystems) are in place.

c) HCV 4 (Critical ecosystem services):

Material shall not originate from identified or mapped watersheds<sup>10</sup> that supply local communities with drinking water, unless best practices of forest management are applied, including water course buffers, equipment restrictions, road building, and protection against contamination.

NOTE: The implementation of best practices may be assessed based on the enforcement of codes of best practices and other general regulations.

d) HCV 5-6 (Community needs - Cultural values):

Material shall not originate from areas where HCVs are present, unless there is evidence that confirms that local communities and Indigenous Peoples are engaged, and their requirements are met.

NOTE: 'Old NRAs' do not provide a separate risk assessment for each HCV (i.e. HCV 1-6). The requirements for control measures will apply only to those HCVs that were assessed, and where unspecified risk was determined in an 'old NRA'.

#### *Control measures provided in an NRA*

4.12 The organization shall implement control measures provided as mandatory in the applicable NRA, subject to 4.13.

4.13 The organization may replace mandatory control measures provided in the NRA with more effective control measures, under the following conditions:

- a) The organization demonstrates that control measures provided in the NRA are inadequate to mitigate risk found in the organization's specific operations;
- b) The organization demonstrates to the certification body that the alternative control measures are sufficient to mitigate the risk, and the certification body approves the alternative control measures; and
- c) The organization has, after approval by the certification body, forwarded a description of the alternative control measures, and justification for their use, to the body responsible for NRA maintenance (as defined in the NRA).

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<sup>9</sup> Determined according to <http://intactforests.org> or <http://www.globalforestwatch.org/map/3/15.00/27.00/ALL/grayscale/none/607> for the year 2013, or by an FSC risk assessment.

<sup>10</sup> The scale (size) of watersheds shall be determined by the area where local communities under consideration are present.

*Using material*

- 4.14 The organization may use material as controlled material or sell it with the FSC Controlled Wood claim after adequate control measures have been implemented.

## **PART II QUALITY MANAGEMENT SYSTEM**

### **5 Competence, documentation and records**

- 5.1 The organization shall appoint a management representative to be responsible for the organization's conformity with all applicable requirements of this standard.
- 5.2 All relevant staff shall demonstrate awareness of the organization's procedures, and competence in implementing the applicable requirements of this standard.
- 5.3 The organization shall implement documented procedures covering all applicable requirements of this standard.
- 5.4 The organization shall maintain records and documentation demonstrating its conformity with this standard, and ensure that they are readily available to the certification body.
- 5.5 The organization shall retain all relevant records for a minimum of five (5) years.

### **6 Publicly available information**

- 6.1 The organization shall provide a written summary of its DDS to the certification body. The written summary shall include the following information:
  - a) A description of the supply area(s) and respective risk designation(s);  
NOTE: The description should allow the identification of the area with a homogeneous risk designation in the applicable risk assessment for each controlled wood category.
  - b) Reference to the applicable FSC risk assessment;
  - c) The organization's own risk assessment (excluding confidential information);
  - d) The procedure for filing complaints; and
  - e) Contact information of the person or position responsible for addressing complaints.

NOTE 1: This information will be included in the public summary of the certification report by the certification body on the FSC database.

NOTE 2: The summary of the DDS is not required to be in one of the official languages of FSC (English and Spanish).

- 6.2 For material sourced from areas not designated as low risk for the origin of material, the written summary of the DDS shall also include:
  - a) The control measures implemented by the organization for each indicator not designated as low risk in the applicable risk assessment<sup>11</sup>;
  - b) The organization's summary of the consultation process(es) performed according to Annex B, if applicable;
  - c) Information on the engagement of one or more experts in the development of control measures, if applicable; and

NOTE: For individual experts this includes the names of the experts, their qualifications, their license/registration numbers (if applicable), and the scope of their services. For publicly available expertise, the specific sources of information shall be cited.

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<sup>11</sup> Indicators provided in *FSC-PRO-60-002a FSC National Risk Assessment Framework* (for NRAs or ECRAAs) or Annex A (for 'old NRAs' or CRAAs).

- d) A summary of the organization's findings from field verification undertaken as a control measure, if applicable, and steps taken by the organization to address identified non-conformities where they occurred, unless confidential. The organization shall provide a justification for the exclusion of confidential information.

NOTE: The confidential nature of the information may be determined by the legislation that the organization must comply with. Commercially sensitive information, and the names of individual landholders, may be treated as confidential information.

## **7 Stakeholder input and complaints**

- 7.1 The organization shall develop and implement a documented procedure to handle comments and complaints from stakeholders that are related to its DDS.

NOTE: The procedure may consist of relevant existing organizational policies, mechanisms, etc.

- 7.2 The procedure shall include mechanisms (unless otherwise stated in the applicable NRA) for:

- a) Acknowledging receipt of complaints;
- b) Informing stakeholders of the complaint procedure, and providing an initial response to complainants within a time period of two (2) weeks;
- c) Forwarding complaints related to risk designations in the relevant FSC risk assessment to the responsible body (for an NRA: as indicated in the NRA; for a CNRA: FSC);

NOTE: When a complaint is forwarded to a responsible body, Clauses 7.2. d) - k) do not apply.

- d) Conducting a preliminary assessment to determine whether evidence provided in a complaint is or is not substantial, by assessing the evidence provided against the risk of using material from unacceptable sources;
- e) Dialogue with complainants that aims to solve complaints assessed as substantial before further actions are taken;
- f) Forwarding substantial complaints to the certification body and relevant FSC National Office for the supply area within two (2) weeks of receipt of the complaint. Information on the steps to be taken by the organization in order to resolve the complaint, as well as how a precautionary approach will be used, shall be included with the complaint;
- g) Employing a precautionary approach towards the continued sourcing of the relevant material while a complaint is pending;

NOTE: This includes a description of how the precautionary approach is employed by the organization when a complaint is active.

NOTE: A complaint is pending if it has been considered to be substantial (according to Clause 7.2 d), and no effective corrective action (according to Clauses 7.2 h) - k) has been taken yet.

- h) Implementing a process (e.g. field verification and/or desk verification) to verify a complaint assessed as substantial by the organization, within two (2) months of its receipt;
- i) Determining the corrective action to be taken by suppliers and the means to enforce its implementation by a supplier if a complaint has been assessed and

verified as substantial. If a corrective action cannot be determined and/or enforced, the relevant material and/or suppliers shall be excluded by the organization;

- j) Verifying whether corrective action has been taken by suppliers and whether it is effective;
- k) Excluding the relevant material and suppliers from the organization's supply chain if no corrective action is taken;
- l) Informing the complainant, the certification body, and the relevant FSC National Office of the results of the complaint and any actions taken towards its resolution, and for maintaining copies of relevant correspondence; and
- m) Recording and filing all complaints received and actions taken.

## Annex A Risk assessment by the organization

### 1 General provisions

- 1.1 The organization may conduct the following risk assessments for unassessed areas (Figure 5):
- a) Company risk assessment – according to Section 3 below, and only where an FSC risk assessment for all five controlled wood categories has been scheduled<sup>12</sup> by 31 December 2017; or
  - b) Extended company risk assessment – according to Section 2 below, irrespective of whether or not an FSC risk assessment is scheduled.
- 1.2 For co-products, an organization located within the European Union is allowed to classify another country in the European Union as low risk in its own risk assessment for controlled wood category 1 if the following are met:
- a) The round wood from which the co-products originate has been harvested in the European Union;
  - b) The co-products are produced and supplied by a supplier located in the European Union;
  - c) The supplier of the co-products provides all necessary information as required by the EUTR and Section 2 of this standard; and
  - d) The organization sourcing co-products and applying this requirement agrees in writing to participate in the FSC Supply Chain Integrity Program. Agreements shall be sent to the FSC Supply Chain Integrity Program ([fiber-testing@fsc.org](mailto:fiber-testing@fsc.org)). Annex F may be used in the implementation of this requirement.
- 1.3 The organization may outsource its risk assessment to external bodies that have expertise relevant to the controlled wood categories to be assessed, excluding the certification body. For an extended company risk assessment, the minimum qualifications of experts are contained in Annex C.
- 1.4 The organization shall provide its risk assessment to the certification body.
- 1.5 The organization shall review its risk assessment at least annually to verify the continued correctness and relevance of risk designations, and shall revise it when necessary.
- 1.5.1 A review and revision shall be conducted before the annual surveillance by the certification body.
- NOTE: Joint extended company risk assessments (see 2.2) shall be reviewed at least annually.
- 1.5.2 The organization shall review its risk assessment, and revise it when significant changes to the risk in unassessed areas become evident (e.g. changes in law, or breakdown in rule of law through civil unrest, availability of FSC risk assessment under development).
- 1.5.3 If FSC certified<sup>13</sup> management units located in a low risk area lose their certified status due to suspension, the organization shall immediately cease using material from those management units as controlled

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<sup>12</sup> As provided on the FSC website (links as of February 2017: <http://ic.fsc.org/centralized-national-risk-assessment.700.htm> and <http://ic.fsc.org/en/our-impact/program-areas/controlled-wood-01/controlled-wood-risk-assessments/fsc-risk-assessment-database>)

<sup>13</sup> Certification according to the standard *FSC-STD-01-001*.



material or selling it with the FSC Controlled Wood claim upon receiving notice of the suspension.

- 1.5.4 The organization may resume using material as controlled material or sell it with the FSC Controlled Wood claim after the suspension has been lifted or after the organization has completed a risk assessment of the suspended management unit according to Annex A, and has confirmed that material is in conformity with the requirements of this standard, confirmed through the DDS.

## **2 Extended company risk assessment**

- 2.1 An extended company risk assessment shall be conducted according to the risk assessment requirements in *FSC-PRO-60-002a FSC National Risk Assessment Framework*. The organization shall consider:
- a) All sources of information provided and/or described in *FSC-PRO-60-002a* where relevant to the area under assessment. Where the organization has access to country/region specific sources they shall be used;
  - b) Available FSC risk assessments under development; and
  - c) Any information relevant for its supply area(s) that is received from stakeholders. The extended company risk assessment shall summarize such information and explain how it has been taken into account.

NOTE: The use of the template provided in Annex G to present the results of the extended company risk assessment is recommended.

- 2.2 The organization may perform an extended company risk assessment jointly with one or more organizations that are sourcing from the same unassessed area. In this case, the following apply:
- a) The extended company risk assessment shall provide risk designations for the supply areas of all organizations that use it;
  - b) The extended company risk assessment shall provide the names and contact details of all organizations that use it; and
  - c) The organization that uses the extended company risk assessment shall appoint a person responsible for conformity with the requirements of this standard, as well as for the distribution of the extended company risk assessment to stakeholders, the organizations that use it, and the certification bodies evaluating them.

## **3 Company risk assessment**

- 3.1 The organization shall designate the risk of unassessed areas as either low or unspecified according to the requirements of this section and for each risk assessment indicator.
- 3.2 The organization shall consider unassessed areas as unspecified risk until low risk can be determined in line with the requirements of this section.
- 3.3 The company risk assessment shall begin at the broadest scale (relevant to its supply area), which shall be decreased if conditions are not sufficiently homogeneous to confirm a low risk designation for the whole area.
- a) For controlled wood categories 1, 2, 4 and 5, the national level shall be the broadest level used;

- b) For controlled wood category 3, the risk assessment shall consider the presence of any of the listed ecoregions of HCVs (e.g. *Biodiversity Hotspots*, *Global 200 Ecoregion*, *Frontier Forest*, *Intact Forest Landscapes*).

NOTE: Risk assessments may be confined to a certain clearly defined scope within the supply area, such as forest type (e.g. plantations) or scale (e.g. small or low-intensity managed forests). In this case, the confined scope must be clearly reflected in the risk assessment.

3.4 The organization shall include at least the following sources of information in the risk assessment, if available:

- a) Risk designations provided on the FSC Global Forest Registry as a base for the risk assessment. The organization may further verify risk designations for its supply area, according to the requirements of this section;
- b) A list of applicable laws for countries not undergoing FSC risk assessment processes, as provided on the FSC Global Forest Registry;
- c) Known and available sources of information in addition to those provided in this section; and
- d) Any information provided by the relevant FSC network partner or regional office.

**Controlled wood category 1 – Illegally harvested wood**

3.5 General requirements for risk assessment:

- a) An area shall be considered unspecified risk when illegal harvesting is a threat to the forest, people, or communities. Minor infractions and issues such as minor geographical deviations from the allotted area of harvesting, late filing of paperwork, or small infractions related to transport should not result in a designation of unspecified risk.
- b) The evaluation of risk for illegal harvesting shall include consideration of at least the following:
  - The perceived level of corruption related to forest activities;
  - The degree of transparency about information that is likely to reveal or reduce illegal harvesting if made public;
  - The degree to which key data and documents relevant to illegal harvesting exist and are of satisfactory quality; and
  - Independent reports about illegal harvesting.

3.6 Risk assessment indicators:

Risk assessment indicators	Examples of sources of information
1. The supply area may be considered low risk in relation to illegal harvesting when all of the following indicators related to forest governance are met.	
1.1 Evidence of enforcement of logging related laws in the supply area. a) The organization shall use the 'Minimum list of applicable laws, regulations and nationally-ratified international treaties, conventions and agreements' (Table A, below) for the	<ul style="list-style-type: none"> <li>- FSC network partners and regional offices (contacts: <a href="http://ic.fsc.org">ic.fsc.org</a>)</li> <li>- The Royal Institute of International Affairs (<a href="http://www.illegal-logging.info">www.illegal-logging.info</a>)</li> </ul>

<p>identification of logging related laws in the supply area under evaluation.</p> <p>b) The organization may use existing national lists from approved FSC National Forest Stewardship Standards and other reputable sources in order to compile the list.</p> <p>Where the FSC Global Forest Registry contains an FSC approved list of applicable laws for a country, it is mandatory to use this list.</p>	<ul style="list-style-type: none"> <li>- Environmental Investigation Agency (<a href="http://www.eia-international.org">www.eia-international.org</a>)</li> <li>- Global Witness (<a href="http://www.globalwitness.org">www.globalwitness.org</a>)</li> <li>- Telapak (for Indonesia - <a href="http://www.telapak.org">www.telapak.org</a>)</li> <li>- UK Government's Department for International Development (DFID)</li> <li>- EU FLEGT process (<a href="http://www.euflegt.efi.int/home">http://www.euflegt.efi.int/home</a>)</li> <li>- Transparency International Corruption Perception Index (<a href="http://www.transparency.org">www.transparency.org</a>)</li> <li>- WWF (<a href="http://www.panda.org">www.panda.org</a>)</li> <li>- ELDIS regional and country profiles (<a href="http://www.eldis.org">www.eldis.org</a>)</li> <li>- CITES (<a href="http://www.cites.org">www.cites.org</a>)</li> <li>- NGOs and involved stakeholders</li> </ul>
<p>1.2 There is evidence in the supply area demonstrating the legality of harvests and wood purchases including, for example, robust and effective systems for granting licenses and harvest permits.</p>	
<p>1.3 There is little or no evidence or reporting of illegal harvesting in the supply area.</p>	
<p>1.4 There is a low perception of corruption related to the granting or issuing of harvesting permits and other areas of law enforcement related to harvesting and wood trade.</p> <p>The annually published Transparency International <i>Corruption Perception Index</i> (CPI) shall be used. Countries with a score of less than 50 shall be considered unspecified risk, unless there is specific independent and credible information at a lower scale (e.g. implemented independent timber tracking systems) that demonstrates the contrary.</p>	

Table A. Minimum list of applicable laws, regulations and nationally ratified international treaties, conventions and agreements.

<p>1. Legal rights to harvest</p>	
<p>1.1 Land tenure and management rights</p>	<p>Legislation covering land tenure rights, including customary rights as well as management rights, which includes the use of legal methods to obtain tenure rights and management rights. It also covers legal business registration and tax registration, including relevant legally required licenses.</p>
<p>1.2 Concession licenses</p>	<p>Legislation regulating procedures for issuing forest concession licenses, including the use of legal methods to obtain concession licenses. Bribery, corruption and nepotism are particularly well-known issues that are connected with concession licenses.</p>
<p>1.3 Management and harvesting planning</p>	<p>Any national or sub-national legal requirements for management planning, including conducting forest inventories, having a forest management plan and related planning and monitoring, impact assessments, consultation with other entities, as well as approval of these by legally competent authorities.</p>
<p>1.4 Harvesting permits</p>	<p>National or sub-national laws and regulations regulating procedures for issuing of harvesting permits, licenses, or other legal documents required for specific harvesting operations. This includes the use of legal methods to obtain the permits. Corruption is a well-known issue that is connected with the issuing of harvesting permits.</p>

2. Taxes and fees	
2.1 Payment of royalties and harvesting fees	Legislation covering payment of all legally required forest harvesting-specific fees such as royalties, stumpage fees and other volume-based fees. This includes payments of the fees based on the correct classification of quantities, qualities, and species. Incorrect classification of forest products is a well-known issue that is often combined with bribery of officials in charge of controlling the classification.
2.2 Value added taxes and other sales taxes	Legislation covering different types of sales taxes which apply to the material being sold, including the sale of material as growing forest (standing stock sales).
2.3 Income and profit taxes	Legislation covering income and profit taxes related to profit derived from the sale of forest products and harvesting activities. This category is also related to income from the sale of timber and does not include other taxes generally applicable for companies and is not related to salary payments.
3. Timber harvesting activities	
3.1 Timber harvesting regulations	Any legal requirements for harvesting techniques and technology, including selective cutting, shelter wood regenerations, clear felling, transport of timber from the felling site, seasonal limitations, etc. Typically this includes regulations on the size of felling areas, minimum age and/or diameter for felling activities, and elements that shall be preserved during felling, etc. Establishment of skidding or hauling trails, road construction, drainage systems and bridges, etc., shall also be considered as well as the planning and monitoring of harvesting activities. Any legally binding codes for harvesting practices shall be considered.
3.2 Protected sites and species	International, national, and sub-national treaties, laws, and regulations related to protected areas, allowable forest uses and activities, and/or rare, threatened, or endangered species, including their habitats and potential habitats.
3.3 Environmental requirements	National and sub-national laws and regulations related to the identification and/or protection of environmental values including, but not limited to, those relating to or affected by harvesting, acceptable levels for soil damage, establishment of buffer zones (e.g. along water courses, open areas and breeding sites), maintenance of retention trees on the felling site, seasonal limitations of harvesting time, environmental requirements for forest machineries, use of pesticides and other chemicals, biodiversity conservation, air quality, protection and restoration of water quality, operation of recreational equipment, development of non-forestry infrastructure, mineral exploration and extraction.
3.4 Health and safety	Legally required personal protection equipment for persons involved in harvesting activities, implementation of safe felling and transport practices, establishment of protection zones around harvesting sites, safety requirements for machinery used, and legally required safety requirements in relation to chemical usage. The health and safety requirements that shall be considered relevant to operations in the forest (not office work or other activities not related to actual forest operations).
3.5 Legal employment	Legal requirements for employment of persons involved in harvesting activities including requirements for contracts and working permits, requirements for obligatory insurance, requirements for competence certificates and other training requirements, and payment of social and income taxes withheld by the employer. Also covered are the observance of minimum working age and minimum age for persons involved in hazardous work, legislation against forced and compulsory labour, and discrimination and freedom of association.

4. Third parties' rights	
4.1 Customary rights	Legislation covering customary rights relevant to forest harvesting activities, including requirements covering the sharing of benefits and indigenous rights.
4.2 Free, prior and informed consent	Legislation covering 'free, prior and informed consent' in connection with the transfer of forest management rights, and customary rights to the organization in charge of the harvesting operation.
4.3 Indigenous Peoples' rights	Legislation that regulates the rights of Indigenous Peoples as far as it is related to forestry activities including, for example, land tenure, and rights to use certain forest related resources and practice traditional activities, which may involve forest lands.
5. Trade and transport	
NOTE: This section covers requirements for forest management operations as well as processing and trade.	
5.1 Classification of species, quantities, qualities	Legislation regulating how harvested material is classified in terms of species, volumes and qualities in connection with trade and transport. Incorrect classification of harvested material is a well-known method to reduce or avoid payment of legally prescribed taxes and fees.
5.2 Trade and transport	All required trading and transport permits, as well as legally required transport documents which accompany the transport of wood from forest operations, shall exist.
5.3 Offshore trading and transfer pricing	Legislation regulating offshore trading. Offshore trading with related companies placed in tax havens, combined with artificial transfer prices, is a well-known way to avoid payment of legally prescribed taxes and fees to the country of harvest and is considered to be an important source of funds that can be used for payment of bribery to the forest operations and persons involved in the harvesting operation.  Many countries have established legislation covering transfer pricing and offshore trading. It should be noted that only transfer pricing and offshore trading, as far as it is legally prohibited in the country, can be included here.
5.4 Customs regulations	Customs legislation covering areas such as export/import licenses and product classification (codes, quantities, qualities and species).
5.5 CITES	CITES permits (the Convention on International Trade in Endangered Species of Wild Fauna and Flora, also known as the Washington Convention).
6. Due diligence/due care	
6.1 Due diligence/due care procedures	Legislation requiring due diligence/due care procedures, including, for example, due diligence/due care systems, declaration obligations, and/or the keeping of trade related documents.

## **Controlled wood category 2 – Wood harvested in violation of traditional and human rights**

NOTE: Traditional rights may include rights which result from a long series of habitual or customary actions, constantly repeated, which have, by such repetition and by uninterrupted acquiescence, acquired the force of a law within a geographical or sociological unit. An example of a traditional right related to forests is access for local communities to forest areas to visit sacred and ritual sites.

3.7 Risk assessment indicators:

Risk assessment indicators	Examples of sources of information
2. The supply area may be considered low risk in relation to the violation of traditional and human rights when all of the following indicators are met:	
2.1 There is no UN Security Council ban on timber exports from the country concerned.	<ul style="list-style-type: none"> <li>- Global Witness (<a href="http://www.globalwitness.org">www.globalwitness.org</a>)</li> </ul>
2.2 The country or supply area is not designated a source of conflict timber (e.g. USAID Type 1 conflict timber).	<ul style="list-style-type: none"> <li>- The final report of the expert panel on illegal exploitation of natural resources and other forms of wealth in the Democratic Republic of Congo, 2002, Annexes I and III (S/2002/1146)</li> <li>- Conflict Timber: Dimensions of the Problem in Asia and Africa. Volume I. Synthesis report. June 2003</li> </ul>
2.3 There is no evidence of child labour or violation of ILO Fundamental Principles and Rights at Work taking place in forest areas in the assessed supply area.	<ul style="list-style-type: none"> <li>- FSC network partners and regional offices (contacts: <a href="http://ic.fsc.org">ic.fsc.org</a>)</li> <li>- ILO country offices</li> </ul>
2.4 There are recognized and equitable processes <sup>14</sup> in place to resolve conflicts of substantial magnitude pertaining to traditional rights including use rights, cultural interests or traditional cultural identity in the assessed supply area <sup>15</sup> .	<ul style="list-style-type: none"> <li>- FSC network partners and regional offices (contacts: <a href="http://ic.fsc.org">ic.fsc.org</a>)</li> <li>- Indigenous Peoples' organizations</li> <li>- Local community associations</li> <li>- National Sources (e.g. records of land claims negotiation concluded or in progress, summaries of court decisions)</li> </ul>
<p>2.5 There is no evidence of violation of the ILO Convention 169 on Indigenous and Tribal Peoples taking place in the forest areas in the supply area concerned.</p> <p>The standard does not refer to the ratification of ILO 169 and a risk assessment shall involve an assessment of evidence of violation of ILO requirements, irrespective of whether or not they have been ratified by the country in which the risk assessment is made.</p>	<ul style="list-style-type: none"> <li>- FSC network partners and regional offices (contacts: <a href="http://ic.fsc.org">ic.fsc.org</a>)</li> <li>- ILO country offices</li> </ul>

<sup>14</sup> A process in which there are functioning means of recourse and/or there are no overwhelming structural imbalances or inherent unfairness. Examples of processes include land claims negotiations, judicial procedures and treaty negotiations

<sup>15</sup> Indigenous Peoples, workers, communities and government within the supply area accept and endorse the structure for addressing and resolving these issues; and communities and/or Indigenous Peoples have recognized power to mitigate any threats of harvesting through legal systems or other authorities.



**Controlled wood category 3 – Wood harvested from forests in which high conservation values are threatened by management activities**

NOTE 1: Threat in the context of this annex means having an uncertain chance of continued survival or presence of HCVs at the ecoregion level. This standard requires the identification of threats to HCVs caused by forest management activities.

NOTE 2: There is no difference in the definition of HCVs and their different categories between the FSC Principles and Criteria (*FSC-STD-01-001*) and this standard. The difference relates to the objectives of both standards. While the FSC Principles and Criteria require the maintenance and enhancement of HCVs at the management unit level, this standard requires the organization to avoid material from forests where HCVs are being threatened at the ecoregional level.

3.8 General requirements for risk assessment:

- a) HCVs that provide basic services of nature in critical situations and those that are fundamental to meeting basic needs of local communities can be considered low risk, if indicators 2.4, and 3.1 and/or 3.2 are met. That is, there are recognizable and equitable processes in place to resolve conflicts of substantial magnitude pertaining to traditional rights including use rights, cultural interests or traditional cultural identity in the supply area concerned.

3.9 Risk assessment indicators:

Risk assessment indicators	Examples of sources of information
<p>3. The supply area may be considered low risk in relation to <u>threat</u> to HCVs if:</p> <ul style="list-style-type: none"> <li>a) Indicator 3.1 is met; or</li> <li>b) Indicator 3.2 eliminates (or greatly mitigates) the threat posed to the supply area by non-conformity with 3.1.</li> </ul>	
<p>3.1 Forest management activities at the relevant level (ecoregion, sub-ecoregion, local) do not threaten eco-regionally significant HCVs.</p> <p>The organization shall first assess whether any HCVs are threatened at the ecoregional level. If any HCVs are threatened at the ecoregional level, the organization shall assess how forest management activities relate to these HCVs at the supply area level.</p> <p>For the risk assessment of this category the identification of ecoregionally significant HCVs is required, which in practical terms implies that locally relevant values are not in the focus of this step of the risk assessment.</p> <p>Threatened ecoregions can be identified through the supporting information that references, but is not limited to e.g. Biodiversity Hotspots, Global 200 Ecoregion, Frontier Forest, Intact Forest Landscapes.</p>	<ul style="list-style-type: none"> <li>- FSC documentation on HCVs (<a href="http://ic.fsc.org">ic.fsc.org</a>)</li> <li>- Ecoregion definition and information (<a href="http://www.worldwildlife.org/biomes">www.worldwildlife.org/biomes</a>)</li> <li>- Regions identified by Conservation International as a Biodiversity Hotspot, or ecosystems and communities that are explicitly identified by Conservation International as a key component of a Biodiversity Hotspot</li> <li>- Forest, woodland, or mangrove ecoregions identified by World Wildlife Fund as a Global 200 Ecoregion and assessed by WWF as having a conservation status of endangered or critical. If the Global 200 Ecoregion comprises more than a single terrestrial ecoregion, an ecoregion within the Global 200 Ecoregion can be considered low risk if the sub-ecoregion has a Conservation Status other than</li> </ul>

<p>Regarding Intact Forest Landscapes, firefighting or fire prevention for the protection of public safety is not considered to be an economic activity of minimal disturbance. Fire control in the context of forest management activities is not considered to be an economic activity of minimal disturbance.</p> <p>Low risk for this indicator may be demonstrated as follows:</p> <ul style="list-style-type: none"> <li>a) Material does not originate from any of the mapped areas of HCVs (as listed in 3.1), <i>or</i></li> <li>b) There are no ecoregionally significant HCVs in the supply area according to independent verifiable information at the supply area/supply unit level (NGO reports, environmental impact assessments, etc.).</li> </ul>	<p>'critical' or 'endangered' (<a href="http://www.worldwildlife.org/science/wildfinder">www.worldwildlife.org/science/wildfinder</a>)</p> <ul style="list-style-type: none"> <li>- Regions identified by the World Conservation Union (IUCN) as a Centre of Plant Diversity</li> <li>- Regions identified by Conservation International as a High Biodiversity Wilderness Area that contain contiguous forest ecosystems greater than 500 km<sup>2</sup></li> <li>- Regions identified by the World Resources Institute as a Frontier Forest</li> <li>- Intact Forests Landscapes, as identified by Greenpeace (<a href="http://www.intactforests.org">www.intactforests.org</a>)</li> </ul>
<p>3.2 A strong system of protection (effective protected areas and legislation) is in place that ensures survival of the HCVs in the ecoregion.</p> <p>Low risk for this indicator shall be demonstrated as follows:</p> <ul style="list-style-type: none"> <li>a) A strong system of protection of HCVs is in place. The definition of strong shall be based on the effectiveness of law enforcement in the country. This can be demonstrated through a high rating (≥ 75%) in the World Bank 'rule of law' index (<a href="http://www.govindicators.org">www.govindicators.org</a>), <i>and</i></li> <li>b) There is significant support by relevant national/regional stakeholders from the assessed supply area, <i>or</i></li> <li>c) The forest manager has agreed to an approach of HCV protection at the supply unit level with national/regional environmental stakeholders relevant for the assessed supply area.</li> <li>c) Indicator 3.2 cannot be met if there is substantial objection from relevant national or regional stakeholders against a low risk designation for the HCV category.</li> </ul>	<ul style="list-style-type: none"> <li>- FSC network partners and regional offices (contacts: <a href="http://ic.fsc.org">ic.fsc.org</a>)</li> <li>- Signatory to the Convention on Biological Diversity and demonstrable progress towards completing a network of protected areas, such as an overall positive analysis of the latest country thematic report on Forest Ecosystems (<a href="http://www.cbd.int">www.cbd.int</a>)</li> </ul>

**Controlled wood category 4 – Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest uses**

NOTE: The intent of the risk assessment for this category is to reveal risk in regions where there is a significant occurrence of deforestation of natural forests. The organization is encouraged to seek for guidance from FSC network partners and regional offices on the interpretation of 'significant rate of loss' for forests in their countries and regions.



### 3.10 Risk assessment indicators:

Risk assessment indicators	Examples of sources of information
<p>4. The supply area may be considered low risk in relation to conversion of forest to plantations or non-forest uses when the following indicator is met:</p> <p>NOTE: the change from plantations to other land uses is not considered forest conversion.</p>	
<p>4.1 There is no net loss or no significant rate of loss (&gt; 0.5% per year<sup>16</sup>) of natural forests and other naturally wooded ecosystems such as savannahs taking place in the eco-region in question.</p>	<ul style="list-style-type: none"> <li>- FAO GOFD-GOLD Global Observation of Forest and Land Cover Dynamics<sup>17</sup></li> <li>- FAO Global Forest Resources Assessment</li> <li>- Conservation International Regional Analysis Program</li> <li>- University of Maryland Department of Geography</li> <li>- UNEP/GRID – Division of Early Warning and Assessment</li> <li>- SERVIR – Regional Monitoring and Visualization System for Mesoamerica</li> <li>- Congo Basin Forest Partnership and CARPE</li> <li>- CEC Joint Research Centre</li> <li>- INPE-PRODES – Brazil’s National Institute for Space Research</li> <li>- Hansen, M., DeFries, R., Townshend, J.R., Carroll, M., Dimiceli, C., Sohlberg, R. 2003. 500 m MODIS Vegetation Continuous Fields. College Park, Maryland: The Global Land Cover Facility</li> <li>- National data sources</li> <li>- FSC network partners and regional offices (contacts: <a href="http://ic.fsc.org">ic.fsc.org</a>)</li> </ul>

### Controlled wood category 5 – Wood from forests in which genetically modified trees are planted

#### 3.11 Risk assessment indicators:

Risk assessment indicators	Examples of sources of information
<p>5. The supply area may be considered low risk in relation to wood from genetically modified trees when one of the following indicators is met:</p>	<ul style="list-style-type: none"> <li>- FAO, 2004. Preliminary review of biotechnology in forestry, including genetic modification. Forest Genetic Resources Working Paper FGR/59E. Forest Resources Development Service, Forest</li> </ul>

<sup>16</sup> The rate (i.e. > 0.5%) may be adjusted as additional information becomes available.

<sup>17</sup> Note: FAO forest cover data and statistics may not consider forest conversion to plantation as a loss of forest cover. Therefore, in an area with extensive conversion of natural forest to plantation, the data might not show a significant rate of forest loss and could thus be misleading in the context of this standard.

<ul style="list-style-type: none"> <li>a) There is no commercial use of genetically modified trees of the species being sourced; or</li> <li>b) Licenses are required for commercial use of genetically modified trees and there are no licenses for commercial use of the species being sourced; or</li> <li>c) It is forbidden to use genetically modified trees commercially in the country concerned.</li> </ul>	<p>Resources Division, Rome, Italy  <a href="http://www.fao.org/docrep/008/ae574e/AE574E00.HTM">http://www.fao.org/docrep/008/ae574e/AE574E00.HTM</a>)</p> <p>- National and regional data sources</p>
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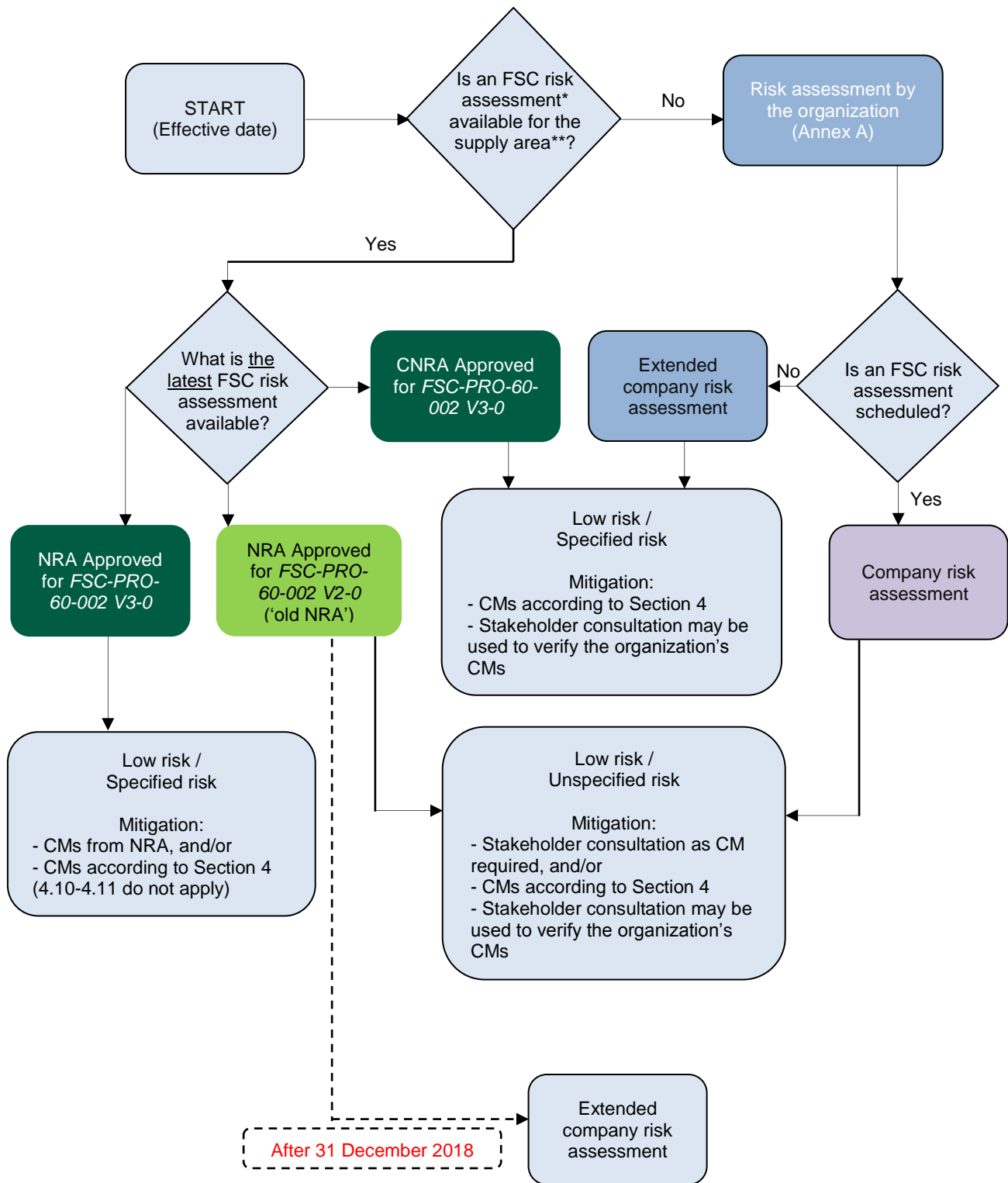


Figure 5. Risk assessment and related steps (apply for each of the five controlled wood categories).

*\*In case of the CNRA, it shall be used when all five controlled wood categories have been approved. Organizations may use available approved risk assessment for single controlled wood categories of a CNRA, before the CNRA for all five categories is approved.*

*\*\*The diagram applies separately for parts of the supply area covered by various FSC risk assessments and unassessed areas.*

## **Annex B Minimum requirements for stakeholder consultation**

- 1 Where a consultation process is conducted, it shall be implemented adequate to the size and scale of the organization's operation, based on the following:
    - 1.1 Stakeholder identification: The organization shall identify affected and interested stakeholders in relation to the forest management activities of their suppliers and the identified risk, including the stakeholder groups provided below (Section 3).
    - 1.2 Stakeholder notification: Identified stakeholders shall be invited to participate in the consultation at least six (6) weeks prior to the management activity that is the subject of the consultation. The organization shall employ effective means to inform stakeholders, using culturally appropriate consultation techniques, and the language spoken by the recipients. The FSC network partner shall also be notified, if one exists.
- NOTE: Techniques may include: face to face meetings, personal contacts by phone, email, or letter, notice published in the national and/or local press and on relevant websites, local radio announcements, or local customary notice boards.
- 1.3 Stakeholder consultation: All identified stakeholders shall be provided access to information that is relevant to the consulted issue no later than six (6) weeks prior to the management activity that is subject of the consultation. The organization shall only exclude information that is considered confidential<sup>18</sup>. Stakeholders shall be asked to provide their consent to the publication of their comments.
- NOTE: Examples of consultation techniques include: arrangements for individual or group meetings, structured interview by telephone, contact by mail or email with a request for written comments to a predetermined set of specific questions.
- 1.4 Stakeholder feedback: Within sixty (60) days after the end of the consultation period, the organization shall respond to all stakeholders who participated in the consultation process explaining how their comments were taken into account.
  - 1.5 Consultation records: The organization shall maintain records of the consultation process, including a list of stakeholders consulted and the comments provided, and evidence that the consultation was carried out in conformance with the requirements of this standard.
- 2 The organization shall prepare a summary of the consultation process, which shall include:
    - a) The areas for which the stakeholder consultation has been conducted (e.g. geo-reference data, state, province, supply unit);
    - b) A list of the stakeholders groups invited by the organization to participate in the consultation;
    - c) A summary of the stakeholder comments received. Comments shall only be published with prior consent from the consulted stakeholder and not associated with stakeholder identifiable information;

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<sup>18</sup> A justification for the confidential nature of the information shall be presented to the relevant FSC-accredited certification body.

- d) A description of how the organization has taken stakeholder comments into account;
- e) The organization's justification for concluding that the material sourced from these areas can be used as controlled material or sold with the FSC Controlled Wood claim.

NOTE: The summary of the consultation process is included in the public summary of the certification process, according to Section 6 of this standard.

3 Stakeholders representing the interests listed below, who are relevant, and according to identified risk, should be identified and notified during the consultation process. Each group specified may be represented by an unlimited number of representatives, subject to balanced consideration of the input received during the consultation. The list is not comprehensive and any other stakeholder groups relevant to the certification process shall be identified and notified.

#### 3.1 Economic interests

- a) Forest owners and/or managers of large, medium and small forests, and high, medium, and low-intensity managed forests;
- b) Forest contractors (including loggers);
- c) Representatives of forest workers and forest industries;
- d) FSC certificate holders.

#### 3.2 Social interests

- a) NGOs involved or with an interest in social aspects of forest management and other related operations;
- b) Forest workers;
- c) International, national and local trade/labour unions;
- d) Representatives of local communities involved or with an interest in forest management, including those relevant for HCVs 5 and 6;
- e) Representatives of Indigenous Peoples and/or traditional peoples (if present and/or holding rights), including those relevant for HCVs 5 and 6;
- f) Representatives of recreational interests.

#### 3.3 Environmental interests

- a) NGOs involved or with an interest in the environmental aspects of forest management. Consultation should target the following areas of interest and expertise:
  - Biological diversity
  - Water and soil
  - HCVs 1-4
- b) Local communities and Indigenous Peoples' representatives (HCVs 5 and 6).

#### 3.4 FSC-accredited certification bodies active in the country

#### 3.5 National and state forest agencies

#### 3.6 Experts with expertise in controlled wood categories

- 3.7 Research institutions and universities
- 3.8 FSC regional offices, FSC network partners, registered standard development groups and NRA working groups in the region<sup>19</sup>.

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<sup>19</sup> Africa, Asia and Pacific, Europe, Europe and Russia (CIS), Latin America and North America (as of 2015).

## Annex C Minimum requirements for expert qualifications

1 Experts (including groups of experts) whose expertise is used in risk assessment processes and/or for the development of control measures shall meet the following minimum requirements:

1.1 Controlled wood category 1 (Illegally harvested wood)

- a) Expert knowledge on legality in the forestry sector at the national/regional level (see Table A in Annex A), assessed based on demonstrated experience and/or education and/or licenses in the relevant area.

NOTE: Experts that have relevant knowledge in one area (e.g. one sub-category of law) can only support the risk assessment process and/or the development of control measures for this area of expertise (e.g. for the relevant sub-category of law).

1.2 Controlled wood category 2 (Wood harvested in violation of traditional and human rights)

- a) Expert knowledge on the presence and rights of Indigenous Peoples and/or traditional peoples within the supply area, assessed based on confirmed experience and/or education and/or licenses in the relevant area;
- b) Knowledge (including awareness) of existing conflicts pertaining to the rights of Indigenous Peoples and traditional peoples; and
- c) Confirmed experience in consultation/mediation with Indigenous Peoples and traditional peoples;

1.3 Controlled wood category 3 (Wood from forests in which high conservation values are threatened by management activities)

- a) Expert knowledge on the presence, distribution and/or threats to environmental values within the area under assessment (with a focus on forest ecosystems) confirmed by conservation experience, and education and/or relevant licenses; and
- b) Expert knowledge of forest management practices within the area under assessment, assessed based on confirmed experience and/or education and/or licenses in the relevant area.

1.4 Controlled wood category 4 (Wood from forests being converted to plantations and non-forest use)

- a) Expert knowledge about forest management practices within the area under assessment, based on confirmed experience and/or education and/or licenses in the relevant area;

1.5 Controlled wood category 5 (Wood from forests in which genetically modified trees are planted)

- a) No specific expert knowledge is required.

## **Annex D      Summary of the controlled wood evaluation process (informative)**

Summary of the steps required for controlled wood evaluations as prescribed in this standard:

1. Implement FSC chain of custody requirements as per *FSC-STD-40-004*.
2. Develop written procedures covering all applicable elements of the standard *FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood*.
3. Develop DDS (Section 1).
4. Obtain information on material (Section 2, including CITES).
5. Assess the risk for supply areas and supply chains (Section 3). This involves the use of an FSC risk assessment and/or the organization developing its own risk assessment (Annex A, Figure 5).
6. For low risk areas and where there is no risk of mixing in the supply chain, no additional actions are required. Material can be used as controlled material or sold with the FSC Controlled Wood claim. Documentation shall be maintained, and an annual review and internal audit shall be conducted.
7. In the case of risk:
  - Implement control measures
  - Check the effectiveness during internal audits

The steps described above are illustrated in a flowchart on the next page (Figure 6).



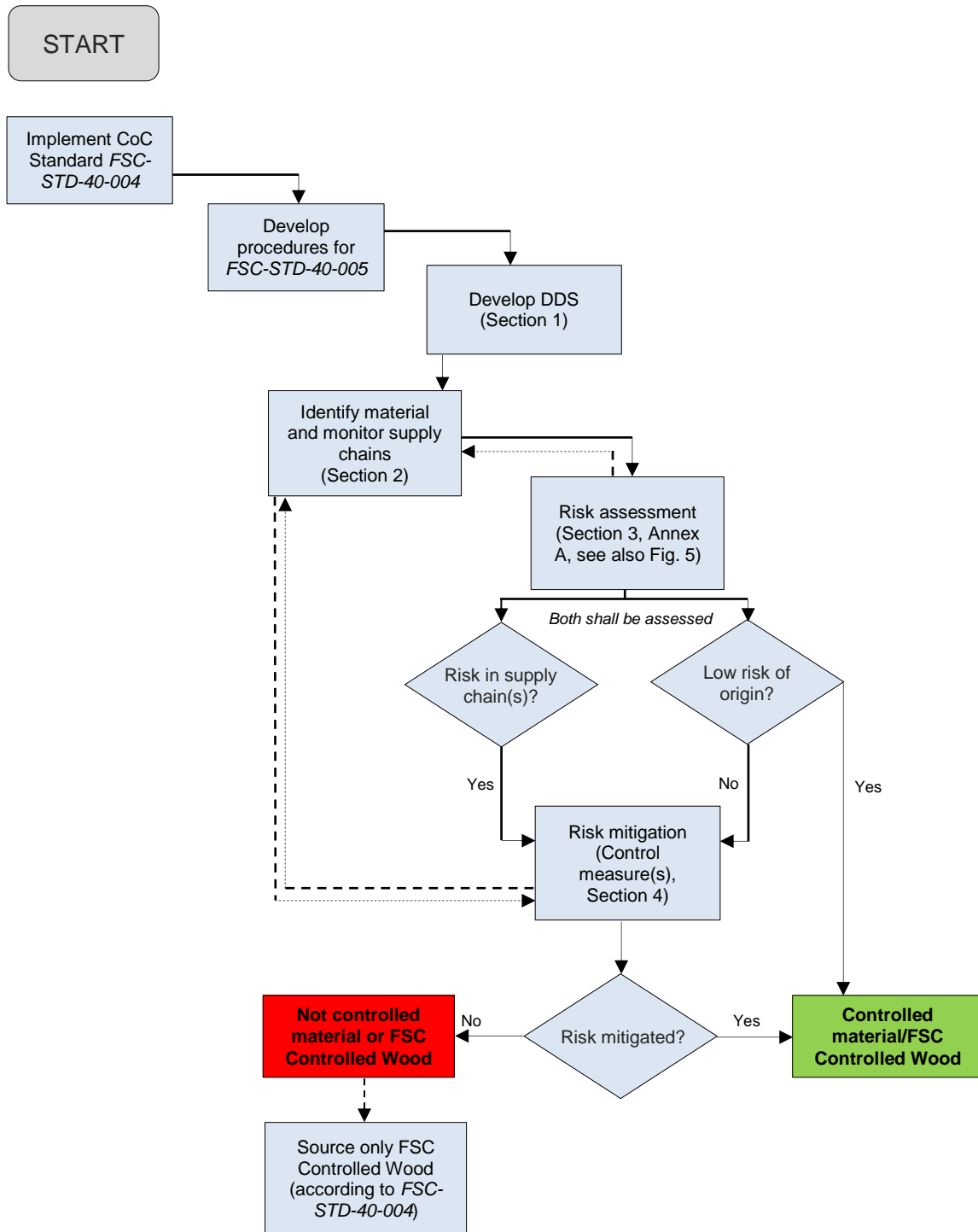


Figure 6. Summary of the controlled wood evaluation process

## Annex E Development guidance and examples of control measures (informative)

- 1 Control measures should be developed based on how the organization identifies the risk within its operations, and the accepted level of risk (according to the requirements) in the particular conditions in which the organization operates.
- 2 Different control measures can be established for different ownership structures, different groups of suppliers, different certificate holder types (e.g. primary vs. secondary manufacturers, pulp vs. round wood), etc.<sup>20</sup>.
- 3 The control measures implemented depend on the type of potential risk. Mitigation of some risks will require verification by a field visit to the harvesting sites, document control, or both.
- 4 Control measures may be accompanied by means of verification demonstrating their adequacy and/or effectiveness (e.g. records, documents, maps, site visits, interviews, etc.).
- 5 It is recommended that control measures comply with the SMART concept (specific, measurable, achievable, relevant and tangible):
  - Specific: Control measures should describe an action or actions required for risk mitigation;
  - Measurable: Control measures should specify outcomes or levels (i.e. thresholds) of performance that are measurable during an evaluation. The level of performance required should be clear (compare Clause 4.2 in this standard);
  - Achievable: Control measures should not contain elements that are not possible to implement in the organization's system;
  - Relevant: Control measures should only include elements that contribute to the mitigation;
  - Tangible: Control measures should be written in clear and consistent language that is free from subjective elements. The use of phrases such as 'substantial', 'appropriate to', 'minimize', 'wherever possible', 'thorough' or 'best available' should be avoided.
- 6 The outcome of a control measure should indicate how the control measure mitigates risk or allows confirmation that risk has been mitigated. In some cases the desired outcome will be implied by the control measure itself (see Table B). In other cases, it may be separately stated. For a specific example, see Box 4.
- 7 General examples of actions that may be taken as control measures are provided below. For specific examples of control measures for individual risk assessment indicators, see Table B.
  - a) Stakeholder consultation;
  - b) Expert engagement;
  - c) Document verification;
  - d) Supply chain audits;
  - e) Field verification at the supply unit level or supplier's site;

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<sup>20</sup> See functional scale of risk assessment in *FSC-PRO-60-002a FSC National Risk Assessment Framework*.

- f) Third party verification, including specification of the parties required, and acceptable/exemplary methods of verification;
- g) Tests to confirm species and/or origin, such as DNA tests, isotope tests and fibre tests (e.g. to confirm the origin of species covered by CITES);
- h) Legally binding agreements related to risk mitigation (e.g. conformance commitments with procedures, right to audit at any time, obligations to provide information within a certain time frame) with suppliers and sub-suppliers;
- i) Risk mitigation training and capacity building of suppliers and sub-suppliers;
- j) Exclusion of suppliers.

**Box 4: The establishment of control measures (example)**

Indicator assessed as specified risk <i>(in the risk assessment)</i>	2.2 Labour rights are upheld including rights as specified in ILO Fundamental Principles and Rights at Work ( <i>FSC-PRO-60-002a FSC National Risk Assessment Framework</i> ).
Risk specification <i>(in the risk assessment)</i>	Discrimination of women in employment practices due to a documented salary gap between women and men in equal positions of employment.
Adequate action required	Stakeholder consultation
Control measure with the desired outcome	Stakeholder consultation confirms no financial discrimination of women by suppliers (NOTE: in case it is impossible to confirm that no discrimination exists, another control measure or control measures shall be established and implemented).

Table B. Examples of control measures for 'specified risk' for specific risk indicators (RAI – Risk Assessment Indicator as per *FSC-PRO-60-002a FSC National Risk Assessment Framework*).

RAI	Examples of control measures
1.1	<p>Land registry shall confirm ownership and validity of property deed.</p> <p>Tax authorities shall confirm valid tax registration.</p> <p>The business register provides evidence of valid business licenses to operate within the jurisdiction.</p> <p>In areas with land ownership conflicts, consultation with neighbours, local communities and others provides evidence that land tenure rights are well established.</p> <p>Stakeholder consultation provides evidence that the registration of the forest management enterprise has been granted following legally prescribed processes.</p> <p>Stakeholder consultation provides evidence that the legal status of the operation, or rights for conducting the established activities, are not subject to court orders or other legally established decisions to cease operations.</p> <p>The management contract or other agreements with the owner shall indicate clear management rights.</p> <p>Valid business registration documents shall exist.</p> <p>The issuance of legal rights and registration shall be subject to public disclosure prior to commencement of any activities within supply units.</p>

1.2	<p>Proper legal procedures for obtaining concession licenses shall be followed. Valid concession license agreements shall exist. The process for obtaining concession licenses shall follow an open and transparent process based on clear criteria and shall be confined to eligible organizations. Stakeholder consultation provides evidence that legal procedures for obtaining concession licenses have been followed. Inspections of harvesting sites shall confirm that harvesting takes place within property limits (including felling, transport and log landings).</p>
1.3	<p>Approved forest management plans shall exist for the supply unit where the harvesting is taking place. Forest management plans shall contain all legally required information and procedures. Annual operating or harvesting plans shall be in place and be approved by legally competent authorities. Annual operating or harvesting plans shall contain information and procedures, according to all legal requirements. The contents of the operating and harvesting plans shall be consistent with approved forest management plans. Plans for carrying out harvesting operations shall be subject to public disclosure and objections prior to commencement if legally required. Harvesting restrictions shall be identified in management plans and maps if legally required. Harvesting inventories shall be conducted according to legal requirements. Field verifications shall indicate that harvesting plans are implemented in the field. Stakeholder consultation provides evidence that the forest management plan has been approved according to legally prescribed processes. The contents of the management plan shall be technically sound and consistent in meeting legal requirements.</p>
1.4	<p>Harvesting permits (licenses or similar legal documents governing the harvesting of forest resources) shall exist. Harvesting limits shall be clearly defined based on maps and quantities. Authorities shall confirm the validity of the harvesting permit. Stakeholder consultation provides evidence that the harvesting permit has been issued according to the relevant laws and regulations by the legally designated competent authority. Field inspection shall confirm that harvesting takes place within limits specified in the harvesting permit. Field inspection shall confirm that information regarding area, species, volumes and other information in the harvesting permit are correct and within the limits prescribed in the legislation. Field inspection shall confirm that all harvesting restrictions in the harvesting permit, such as buffer zones, protected trees, placement of logging trails, etc., are observed.</p>
1.5	<p>Receipts shall exist for payments (harvesting related royalties, relevant taxes, harvesting fees and other charges). Volumes, species, and qualities given in sales and transport documents shall match the paid fees. Classifications of species, volumes, and qualities shall match the royalties and fees paid. Authorities shall confirm that the operation has paid all applicable fees.</p>
1.6	<p>Sales documents shall include applicable sales taxes. Receipts for payments of sales taxes shall exist. Volumes, species, and qualities in sales and transport documents shall match the fees paid. Sales prices shall be in line with market prices. Harvested species, volume, and qualities shall match the sales documents. Authorities shall confirm that the operation is up-to-date regarding the payment of applicable sales taxes.</p>
1.7	<p>Volumes, species, and qualities in sales and transport documents shall match the paid fees. Classifications of species, volumes, and qualities shall match the royalties and fees paid. Authorities shall confirm that the operation is up-to-date regarding payments. Harvesting shall be conducted within the authorized boundaries of the supply unit. Harvesting shall not take place in areas where harvesting is legally prohibited. Tree species or selected trees found within the supply unit for which felling is prohibited shall be listed in operational plans. Harvesting restrictions shall be observed in the field. Tree species or selected trees found within the supply unit for which felling is prohibited shall be marked in the field. All legally protected areas (including species habitats) shall be included in the management plan or related documentation if required by the legislation. Legally established procedures for surveying, managing, and protecting endangered or threatened species within the supply unit shall be followed.</p>

	Nature protection regulations such as those related to protected areas, set-aside areas, protected species, and hunting shall be enforced.
1.8	Harvesting shall be conducted within the authorized boundaries of the supply unit. Harvesting shall not take place in areas where harvesting is legally prohibited. Tree species or selected trees found within the supply unit for which felling is prohibited shall be listed in operational plans. Harvesting restrictions shall be observed in the field. Tree species or selected trees found within the supply unit for which felling is prohibited shall be marked in the field.
1.9	All legally protected areas (including species habitats) shall be included in the management plan or related documentation if required by the legislation. Legally established procedures for surveying, managing, and protecting endangered or threatened species within the supply unit shall be followed. Nature protection regulations such as those related to protected areas, set-aside areas, protected species, and hunting shall be enforced.
1.10	Environmental and/or Social Impact Assessments shall be in place and approved by the legally competent authority if legally required. Requirements for environmental monitoring shall be met. Environmental restrictions, such as requirements related to soil damage, buffer zones, retention trees, seasonal restrictions, etc., shall be followed in the field.
1.11	Occupational health and safety requirements shall be observed by all persons involved in harvesting activities. Interviews with staff and contractors shall confirm that legally required protection equipment is required/provided by the organization.
1.12	Persons involved in harvesting activities shall be employed under a formal contract, if legally required. Persons involved in harvesting activities shall be covered by obligatory insurance. Persons involved in harvesting activities shall hold the required certificates of competence for their job function. Legally established minimum salaries shall be the minimum paid to persons involved in harvesting activities. Salaries shall be paid officially and shall be declared by the employer according to requirements for persons involved in harvesting activities. Minimum age requirements shall be observed for all persons involved in harvesting activities. Minimum age requirements shall be observed for all persons involved in hazardous work. Stakeholders provide evidence that forced or compulsory labour is not involved in harvesting activities.
1.13	Stakeholder consultation provides evidence that customary rights are upheld during harvesting activities. Experts are engaged to determine specific legal obligations regarding traditional and human rights, and to ensure that the legislation consulted is current (considers most recent amendments) and considers judicial decisions relevant to the interpretation of legal obligations.
1.14	Stakeholder consultation provides evidence that legal requirements related to FPIC were upheld regarding forest management rights. Experts are engaged to determine specific legal obligations regarding traditional and human rights, and to ensure that the legislation consulted is current (considers most recent amendments) and considers judicial decisions relevant to interpreting legal obligations.
1.15	Stakeholder consultation provides evidence that the legally established rights of Indigenous Peoples or traditional peoples are not being violated. Experts are engaged to determine specific legal obligations regarding traditional and human rights, and to ensure that the legislation consulted is current (considers most recent amendments) and considers judicial decisions relevant to interpreting legal obligations.
1.16	Products shall be correctly classified (species, quantities, qualities, etc.) on sales documents, custom declarations and other legally required documents.
1.17	Species and product types shall be traded legally. Required trade permits shall exist and be documented. All required transport documents shall exist and be stored. Volume, species and qualities shall be classified according to legal requirements. Documents related to transportation, trade or export shall be clearly linked to the specific material in question. Trade documents shall allow material to be traced back to its origin. FLEGT licenses shall be used for legality verification.
1.18	If illegal in the country of the supplier or sub-supplier, the products shall not have been traded through countries known to be 'tax havens'. There shall be no illegal manipulation in relation to transfer pricing.

1.19	Sourcing controlled wood shall take place in compliance with the legality framework identified for the area. Products shall be correctly classified (type, custom code, species, quantities, qualities, etc.). All required import and export permits shall be in place.
1.20	All cross border trade of CITES-listed species shall be documented and accompanied by required export, import, and re-export certificates issued by the competent authorities (CITES Management Authorities).
2.1	The organization is not involved in the trade of conflict timber. Documentation of origin shall confirm that forest products do not originate from areas of conflict timber.
2.2	Field verification according to the requirements for controlled wood category 2 in the standard <i>FSC-STD-30-010</i> . Interviews with management and workers to assess awareness of labour laws and adherence to regulations.
2.3	Stakeholder consultation provides evidence that harvesting takes place with respect to social rights. This includes forest dependent communities and civil society, as well as national and international NGOs that monitor the status of social rights in the area under consideration. [Examples of stakeholder consultation: active consultation methods, e. g., as used in Santa Catarina Natural Resource Management and Rural Poverty Reduction Project (Brazil) <sup>21</sup> : This project used innovative consultation methods based on expert facilitators familiar with the communities being consulted.] Field verification according to the requirements for controlled wood category 2 in the standard <i>FSC-STD-30-010</i> . Written agreement (including Community Protocol <sup>22</sup> ) and/or other means of demonstration shall confirm FPIC is given. Community Protocols are implemented (confirming, e.g. FPIC being given). [Examples of Community Protocols implementation: natural Justice (Lawyers for Communities and the Environment) has pioneered this concept, and has helped communities to develop protocols to ensure benefit sharing relating to plant genetic resources for food and agriculture (Peru); protect indigenous territory (Panama); and protect sacred natural sites (Africa). This concept has been included within the Nagoya Protocol on Access and Benefit Sharing, under the Convention on Biological Diversity.] Social Responsibility Agreements (SRAs) that outline the organization's (certified organizations, forest managers) agreed obligations towards Indigenous Peoples, traditional peoples, and/or local communities with traditional rights are signed. [Examples of usage: IIED has produced a report documenting the use of SRAs in Ghana, highlighting lessons learned <sup>23</sup> .] Document verification confirms implementation of social rights including the social rights of women and children. Document verification confirms that the rights of Indigenous Peoples, traditional peoples, and/or local communities are respected and upheld. Verification of documents establishing legal ownership and tenure rights (e.g. property deed, management contracts, or other agreements). Interviews with representatives of IP/TP/local communities to assess awareness of their rights and whether they were respected.
3.0	No control measures (indicator serves for risk assessment purpose only).
3.1-3.6	Consultation with experts (who meet requirements provided in Annex C of this standard) confirms that material is sourced from areas where HCVs are not threatened by management activities or consultation with experts results in the implementation of management actions that mitigate the risk of threats to HCVs.
3.1	Harvesting does not take place where species concentrations are likely to occur. Tree species protected under HCV category 1 are not harvested. Consultation with experts (who meet the requirements provided in Annex C of this standard) confirms a lack of species concentration within the sourcing area.

<sup>21</sup> World Bank. 2002. Brazil - Natural Resource Management and Rural Poverty Reduction Project - Santa Catarina. Washington, DC: World Bank.  
<http://documents.worldbank.org/curated/en/2002/03/1752396/brazil-natural-resource-management-rural-poverty-reduction-project-santa-catarina>.

<sup>22</sup>Community Protocols are documents produced by communities that set out how the communities expect other stakeholders to engage with them, based on an assertion of their customary rights. For more information, see <http://naturaljustice.org>.

<sup>23</sup>Ayine, D, 2008. Developing Legal Tools for Citizen Empowerment: Social Responsibility Agreements in Ghana's Forestry Sector. IIED. <http://pubs.iied.org/pdfs/12549IIED.pdf>



	<p>Forest management plans exist and include professional inventory of threatened species as well as relevant management measures which ensure that the risk of management activities threatening species survival is lowered (e.g. set aside areas have been identified). HCVs are recognized and protected during management activities. Field sampling of logging areas. Timber tracking systems.</p>
3.2	<p>Existing legal protection of HCVs is effective in the sourcing area. Inspection of management plans. Forest management activities do not cause fragmentation of large landscape forests.</p>
3.3	<p>Consultation with experts (who meet requirements provided in Annex C of this standard) confirms the protection of endangered ecosystems within the sourcing area. Consultation with experts relevant for the sourcing area confirms that forest management practices implemented in the sourcing area do not threaten HCVs. Forest management plans exist and include a professional review of endangered ecosystems along with relevant management measures to ensure that forest management activities do not threaten species survival (e.g. set aside areas have been identified, adaptive management such as selective harvesting has been planned). Sourcing from forest areas where forest managers supplying controlled wood are capable of identifying unmapped occurrences of these values and protecting these values from threats. Pre-harvest HCV inventory of the supply unit(s) and neighbouring sites is implemented and confirms that planned management activities do not pose a threat to the HCVs. HCVs are recognized and protected during management activities. Field sampling of logging areas. Timber tracking systems. Verification of location records (GPS techniques, geo-reference of harvesting sites).</p>
3.4	<p>In some cases, where local communities depend on water from forest areas and there is no regulatory capacity to protect access to potable water, consultation with stakeholders and FPIC may be required by NRAs. Techniques to prevent damage to, or impoverishment of, resources are used. Establishment of buffer zones, equipment exclusions, improved road building including stream crossing, harvesting takes place only when soil is frozen. Selective felling systems are used.</p>
3.4-3.6	<p>Stakeholder consultation provides evidence that FPIC is given by Indigenous Peoples, traditional peoples, and/or local communities with traditional rights in forestry operations in the sourcing area.</p>
4.1	<p>Binding written agreements with suppliers shall mitigate the risk that material supplied originates from forest areas converted into plantation or non-forest use, or shall assure that material originates from acceptable sources of conversion (e.g. conversion that results in conservation benefits, SLIMF sources with maximum size, publicly approved changes in zoning in urban areas, etc.). Verification of permits for harvest from an appropriate authority that indicates conversion does not take place, or only acceptable conversion takes place. Verification of enforcement of the agreement and procedures related to conversion. The organization's sourcing policy commits to no conversion from natural forests to plantations or non-forest use exists and is communicated to suppliers. Document verification. Training of suppliers. Interviews with forest managers. Field visits to harvesting sites. Stakeholder consultation provides evidence that suppliers are not engaged in forest conversion. Species sourced do not occur in forests threatened by conversion in the sourcing area.</p>
5.1	<p>Species identified as potential GM tree 'species' are excluded from sourcing in the supply chains. Supply units that contain GM trees are excluded from sourcing. Testing for wood from GM trees at the point of reception is implemented. Field verification confirms that no GM trees are sourced. Verification of documents of seedling origin. Verification of documents' veracity and quality.</p>

## Annex F Participation in the FSC Fiber Testing program (informative)

Participation in the FSC Fiber Testing Program includes:

### 1 Confirmation of participation

- 1.1 The organization informs the certification body in writing about its agreement to participate in the FSC Fiber Testing Program, using the template provided below.
- 1.2 The certification body notifies the FSC Supply Chain Integrity Program ([fiber-testing@fsc.org](mailto:fiber-testing@fsc.org)) about the organization's participation by sending a copy of the signed form.
- 1.3 The FSC Supply Chain Integrity Program confirms the participation and informs the organization about the participation process described below.

### 2 Instructions for submission of samples

- 2.1 The FSC Supply Chain Integrity Program requests the organization to send a representative sample of each product group to the US Forest Products Lab and informs the certification body about this request.
- 2.2 If the sample is a fibre product, then the sample must be at least 15 X 21 cm in size (e.g. an A5 sheet of paper); 2-3 sheets are preferred. If it is a solid wood product or fibreboard, the sample must be at least 10 x 7 x 3 cm in size (e.g. a deck of cards).
- 2.3 The organization fills in the sample submission form provided below, and submits it directly to the Forest Products Lab along with the sample, and emails a copy of the form to [fiber-testing@fsc.org](mailto:fiber-testing@fsc.org).

### 3 Results

- 3.1 Results will be recorded by the FSC Supply Chain Integrity Program in a central database managed by FSC International.
- 3.2 Results will be shared by the FSC Supply Chain Integrity Program with the organization and the certification body.

#### Template form of the agreement for participation in FSC Fiber Testing Program

This form is to be filled in by the organizations that would like to implement requirements of *FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood* (Annex A, Clause 1.2) and is to be submitted in PDF format to the certification body. The certification body is responsible for submitting the document to the FSC Supply Chain Integrity Program and for keeping receipt of its sending. The document shall be sent by email to [fiber-testing@fsc.org](mailto:fiber-testing@fsc.org).

Organization name (as stated on the FSC certificate):	
Name and email address of the FSC representative of the organization:	
Address (street number, postcode, city of the head office):	
CW code:	
List of co-products:	
Country/Countries of co-product origin:	
Species:	



I hereby state that ..... (*Organization name*) is willing to participate in the FSC fiber testing of co-products by enabling a sample of the organization's certified materials by FSC, in the event that one of the organization's samples is selected during the sampling process.

The organization is aware that the first test of samples taken by the FSC is free of charge. Subsequent tests are free of charge provided that previous results do not indicate a presence of unacceptable components. If unacceptable components are indicated to be present in the samples taken from the organization's material, the organization shall cover the costs of the fibre testing of the organization's sample material.

The organization will make all fibre testing results received from the FSC available to the certification body during the evaluation.

.....  
 Signature of the FSC representative of the organization                      Place, date

**Sample submission form**

Provide the following information on each sample to FSC and the Forest Products Lab:

Manufacturer	
FSC License Number	
FSC CoC Code	
Stock Keeping Unit (SKU) #	
FSC On Product Label Claim (if labelled)	
Species claim	
FSC Invoice Claim (e..g: FSC Mix Credit, FSC Mix x%, FSC 100%/Pure, FSC Recycled Credit, FSC Recycled x%, FSC Controlled Wood)	
Claimed country of origin (if claimed)	
Photo of the product (optional)	

Address: Forest Products Laboratory; Attn: Alex Wiedenhoeft – FSC Project; One Gifford Pinchot Drive; Madison WI 53726-2398; USA.

## Annex G Extended company risk assessment template (informative)

This template provides examples of a risk assessment. Additional examples with graphical presentation are provided in *FSC-PRO-60-002a FSC National Risk Assessment Framework*.

### Controlled wood extended company risk assessment

DEVELOPED BASED ON THE STANDARD *FSC-STD-40-005 V3-1 Requirements for Sourcing FSC Controlled Wood*

<b>Date of preparation:</b> <b>Date of the last review:</b>	DD-MM-YYYY
<b>The organization</b> <b>Name:</b> <b>Responsible staff and email address:</b> <b>Entity developing risk assessment</b> <b>Name:</b> <b>Responsible staff and email address:</b>	
<b>The certification body</b> <b>Name:</b> <b>Responsible staff and email address:</b> <b>Date of the last approval:</b>	
<b>Area(s) under assessment:</b>	

**Extended company risk assessment performed for supply area(s) or part thereof not covered by an approved FSC risk assessment**

#### 1. Extended company risk assessment

**Area under assessment: (name of the country/region allowing for quick identification, e.g. Germany, North Rhine-Westphalia)**

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NOTE: Whether separate descriptions of areas under assessment shall be provided or not depends on the scale of the assessment (consult Section 2.3. of *FSC-PRO-60-002a*)

Country: (e.g. Germany)

Geographic area covered by the assessment: (e.g. states, counties, provinces, bio-regions, eco-regions, water catchments, watersheds, etc.; e.g. North Rhine-Westphalia)

Are maps of the sourcing area provided<sup>24</sup>?  Yes  No

Specify directory to the maps: ..... (E.g. Annex X to the extended company risk assessment, online portals, directory to the files)

#### Controlled wood category 1: Illegally harvested wood

1. Identification of applicable legislation

Applicable legislation identified based on data available on the GFR

Describe how the list available on the GFR was reviewed to ensure it is complete and up-to-date:

.....

Applicable legislation identified using other sources

Provide the location of the list of applicable legislation developed based on *FSC-PRO-60-002a* and structured according to Table 1 in *FSC-PRO-60-002a*:

.....

(E.g. see Annex X to the extended company risk assessment/directory to the file with the list)

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<sup>24</sup> Providing maps directly with the extended company risk assessment means that the organization agrees with FSC reproducing them in order to populate maps on the FSC website (population of the maps will depend on their format and quality).

Specify sources of information used for identification: .....  
 (E.g. FSC FM National Standard, expert evaluation, list provided by NGO and/or governmental institutions)

NOTE: Links to existing governmental databases are not sufficient for the identification of applicable legislation.

2. Assessment of enforcement of the applicable legislation;  
 Assessment for the indicators in the same sub-category of law may be jointly presented.

Indicator (Applicable legality categories and sub-categories) (1)	Sources of information <sup>25</sup> (2)	Risk determination and specification (if not low risk) Provide numbers of thresholds <sup>26</sup> that are met. JUSTIFY THE OUTCOME (for each threshold). (3)	Functional scale <sup>27</sup> (4)	Control measures (5)
<b>Example 1</b>				
<b>Legal rights to harvest</b>				
1.1 Land tenure and management rights.	World Bank Worldwide Governance Indicators: <a href="http://info.worldbank.org/governance/wgi/sc_country.asp">info.worldbank.org/governance/wgi/sc_country.asp</a> ;	Low (1): Land and management rights are clearly defined in the legislation. Sources confirm enforcement of these laws (general assessment of law enforcement based on international indicators and lack of evidence of violation of these laws).	-	-
1.2 Concession licenses.	NGO report on issuing and controlling of licensing and planning (available at: ...) Transparency International <a href="http://www.transparency.org/policy_research/surveys_indices/cpi">http://www.transparency.org/policy_research/surveys_indices/cpi</a> for Transparency International indices;	Specified (2) NGO report provides information that, even though there is no violation of regulations about planning and management, required concession licenses are often issued with a delay and outdated. This problem, however, exists in a great majority for private forest.	Ownership: 'Specified risk' – private forest; 'Low risk' – other forests.	Where concession is required, sourcing from forest areas with valid concession license.
1.3 Management and harvesting planning.	Government report on land management and rights (NGO, available at....)	Low (1): Sources confirm enforcement of these laws (general assessment of law enforcement based on international indicators and lack of evidence of violation of these laws).	-	-
1.4 Harvesting permits.		Low (1): Sources confirm enforcement of these laws (general assessment of law enforcement based on international indicators and lack of evidence of violation of these laws).	-	-
<b>Example 2</b>				
1.14 Free, Prior and Informed Consent.	Royal Institute of International Affairs: <a href="http://www.illegal-logging.org">www.illegal-logging.org</a> (provide directory to relevant report!);	Specified (2) Expert overview shows that Indigenous Peoples' rights are inconsistently described in the existing legislation. Reports of RIIA indicate that traditional laws are violated in terms of access to the forest.	IP presence: 'Low risk' for area not occupied by IP; 'Specified risk' for area occupied by IP (keep consistency with cat. 2 assessment)	Documentation confirms that Free, Prior and Informed Consent (FPIC) was given; keep consistency with cat. 2 assessment)
1.15 Indigenous Peoples' rights	Expert overview on laws regulating traditional rights (report: ...).			

<sup>25</sup> Provide justification why only these sources were used in the assessment.

<sup>26</sup> See threshold number as provided in FSC-PRO-60-002a.

<sup>27</sup> Spatial units based on non-geographical characteristics, e.g. type of forested area tenure/ownership, scope of management, scale, intensity, and risk.

**Controlled wood category 2: Wood harvested in violation of traditional and human rights**

1	2	3	4	5
<i>Example 1</i>				
2.3. The rights of Indigenous Peoples and traditional peoples are upheld.	Legality assessment (see controlled wood category 1);	Specified (22): See risk specification for indicators 1.14 and 1.15.	IP presence: 'Low risk' for area not occupied by IP; 'Specified risk' for area occupied by IP	Documentation confirms that FPIC was given
<i>Example 2</i>				
2.3. The rights of Indigenous Peoples and traditional peoples are upheld.	Applicable legislation (see controlled wood category 1); NGO report about nomads entering region covered by the area under assessment. ILO database (...)	Specified (24): NGO reports confirm seasonal presence of Indigenous Peoples in the northern part of the area. There are no laws nor regulations, as well as no other practices ensuring respect to traditional laws, and NGO reports provide evidence of violation of these laws. Sources challenging NGO findings do not provide sufficient contra-arguments for report contents.	IP presence: 'Low risk' for area not occupied by IP; 'Specified risk' for area occupied by IP	Documentation confirms that FPIC was given

**Controlled wood category 3: Wood from forests in which high conservation values are threatened by management activities**

HCV category	Data <sup>28</sup> used for HCV identification	Identified threats (provide sources <sup>27</sup> )	3	4	5
<i>Example 1</i>					
3.1 HCV 1	Known and available inventory data relevant for HCVs. Threatened species recovery plans/implementation reports. (...)	Habitat removal (Act of forest ...; Code of practice of Public State Forest XX)	Specified (8): Management regulations do not require protection of birth sites of HCVs. As within the area species XX require seasonal protection, habitats of these species are being removed. Country is signatory to CBD but reports show little progress in achieving CBD targets. The problem does not occur within the areas of nature protection (particularly: national parks and reserves) and in the forest areas managed by public state forest due to internal regulation.	'Low risk': Public state forest (identified risk is mitigated by internal code of practice and existing evidence confirms that code is respected). 'Specified risk': rest of the area.	Sourcing from areas where seasonal birth sites are not logged during breeding season; Ex. of verifiers: agreements with forest managers that confirm implementation of CMs.

Where an HCV assessment framework that meets FSC controlled wood requirements for HCV presence and threat assessment as provided in *FSC-PRO-60-002a* has been developed by the relevant FSC National Office, it shall be applied in the extended company risk assessment for controlled wood category 3.

<sup>28</sup> Provide justification why only these sources were used in the assessment.

**Controlled wood category 4: Wood from forests being converted to plantations or non-forest use**

1	2	3	4	5
<i>Example 1</i>				
4.1 (...)	Legality assessment (see controlled wood category 1);	Low (2): Legislation only allows removal of forest ecosystems (including conversion to plantation) for the purpose of investments of public priority (high speed road development, establishment of water bodies serving as a means for fire-protection and water supply, etc.). Clear cuts are allowed in the legislation but regeneration of felled areas is required in time short enough to protect ecosystem values from degradation. Controlled wood category 1 assessment confirms law enforcement.	-	-
<i>Example 2</i>				
4.1 (...)	Spatial database of sourcing forest area. Land cover reports.	Low (1): Spatial data available on the database confirm that spatial threshold in the indicator is met. Additionally, governmental reports (past five years) dealing with land cover changes confirm that conversion does not exceed the threshold.	-	-

**Controlled wood category 5: Wood from forests in which genetically modified trees are planted**

1	2	3	4	5
<i>Example 1</i>				
5.1 There is no commercial use of genetically modified trees.	Legality assessment (see controlled wood category 1);	Low (1) Introduction of GM trees to forest areas is forbidden according to the law. Controlled wood category 1 assessment confirms law enforcement.	-	-

**2. List and contact details of experts involved in the risk assessment**

Controlled wood category 1

1. (Provide name and contact details or references to publicly available expertise)

Areas under assessment: (Include areas under assessment where the expert was involved<sup>29</sup>)

Controlled wood category 2

1. (Provide name and contact details or references to publicly available expertise)

(Etc.)

<sup>29</sup> Applies when an extended company risk assessment covers more than one area under assessment.

## Annex H Matrix of changes between versions 2-1 and 3-1 of the standard (informative)

V2-1	Changes in V3-1
A Scope	Designed as a due diligence system, and therefore includes risk mitigation and not only verification through a verification program. Limited to material supplied without an FSC claim.
B Standard effective date	01 July 2016
C References	Requires the use of approved FSC risk assessments, approved controlled wood documents (therefore any national guidance approved by FSC is included), and a separate procedure for conducting an extended company risk assessment where relevant.
D Terms and definitions	Changes and updates in key definitions, introducing integrity in FSC normative documents.
<b>Part 1: Quality system requirements</b>	
1. Company policy	Not required – the revised standard requires the implementation of all its requirements. The requirement for a policy has been revised in the revision of the standard <i>FSC-STD-40-004</i> .
2. Procedures	The requirements have been included in Section 5.
3. Training	The requirements have been removed as it is already covered by the superior standard <i>FSC-STD-40-004</i> . However, requirements for competence were kept.
4. Records	The requirement has been kept and extended with the collection of information to be made publicly available. Different sets of information are required depending on the risk designation of the supply area.
<b>Part 2: FSC Controlled Wood supply requirements</b>	
5. Supplier identification	Knowledge about suppliers remains a requirement. Documentation focuses on material and not on suppliers. Material must be identified as originating from a low or specified risk area according to risk designations provided in the FSC risk assessment. Requirements for information on supply chains have been included.
6. FSC-certified inputs from FSC-certified suppliers	Excluded from V3-1. Requirements for FSC-certified inputs, and inputs from certification according to <i>FSC-STD-30-010</i> , are included in the standard <i>FSC-STD-40-004</i> .
7. FSC Controlled Wood inputs from suppliers certified to deliver FSC Controlled Wood	Excluded from V3-1. Requirements for FSC certified inputs, and inputs from certification according to <i>FSC-STD-30-010</i> are included in the standard <i>FSC-STD-40-004</i> .
8. FSC Controlled Wood inputs from non-FSC-certified suppliers	Version 3-1 of the standard provides requirements for non-FSC-certified supplies

	only, including material that was previously certified/controlled but supplied without an FSC claim.
9. Uncontrolled wood inputs	Requirements were aligned with the CoC requirements in <i>FSC-STD-40-004</i> – mixing with non-eligible inputs is not allowed. This can be avoided by implementing adequate control measures.
10. Species listed on CITES	The requirements for certificates for CITES species have been incorporated into requirements for obtaining information on material.
<b>Part 3: Risk assessment and verification program</b>	
11. Risk assessment	<p>The standard requires the use of FSC risk assessments where available. Where not available (in unassessed areas), the standard provides requirements for a risk assessment by the organization (detailed in Annex A), which may either involve a company risk assessment, based on Annex 2 of version 2-1 of the standard, or an extended company risk assessment. Requirements for an extended company risk assessment are included in the procedure addendum <i>FSC-PRO-60-002a</i>.</p> <p>The scope of publicly available information on the assessments has been extended. The term 'district' has been replaced by the term 'supply area'. The documentation of the origin of material must allow the material to be traced back to the area of homogeneous risk within the supply area and be consistent with areas assessed by the NRA (or CNRA). Documentation confirming the supply units of origin is required if/when field verification is implemented as a control measure. Please note that risk categories have changed.</p>
12. Verification program for wood supplies identified as coming from low risk sources	The requirements for sourcing from low risk areas have been kept, with the addition of requirements for assessing risk of mixing in supply chains.
13. Verification program for wood supplies from sources with unspecified risk	<p>The requirements for the verification of material from unspecified risk areas have been replaced by the requirements for risk mitigation when sourcing from specified risk areas.</p> <p>Risk mitigation is based on risk specifications provided in the relevant risk assessment. The standard also regulates risk mitigation if unspecified risk is designated in a risk assessment.</p> <p>Field verification and stakeholder consultation (conducted by the organization) are possible control measures and may not always be necessary. Control measures may</p>



	also only verify documentation, or ensure that material is excluded.
14. Complaints mechanism	The requirements have been kept and extended.
<b>Part 4: Sale of FSC Controlled Wood</b>	The requirements have been removed as they are covered by the superior standard <i>FSC-STD-40-004</i> .
15. Supplying FSC Controlled Wood	The requirements have been removed as they are covered by the superior standard <i>FSC-STD-40-004</i> .
<b>Annexes</b>	
Annex 1 Glossary of terms	The Annex has been removed and the relevant references are provided in the Terms and Definitions section.
Annex 2 Criteria for assessing risk	The Annex has been removed and the relevant requirements were revised and included in Annex A.
Annex 3 Requirements for company verification program	The requirements have been replaced by the requirements for DDS, included in the main body of the standard.
Annex 4 Provisions for claims related to FSC Controlled Wood	The Annex has been removed. The requirements are covered by existing standards applicable for CoC-certified organizations ( <i>FSC-STD-40-004</i> , <i>FSC-STD-50-001</i> ).
ADVICE-40-005-01 The concept of "district" in risk assessments	'District' has been replaced by 'supply area'. Requirements were incorporated into Annex A.
ADVICE-40-005-02 Complaints about controversial activities within suppliers' FMUs	Requirements regarding complaints have been revised. They include requirements for what the organization shall do when complaints related to areas designated as low risk are received.
ADVICE-40-005-03 Can a manufacturing or trading site be defined as "district" for the purpose of conducting a risk assessment?	The requirements have been removed, as the revised standard does not require the clarification included in the Advice Note.
ADVICE-40-005-04 What kind of documentation and control is required to verify the geographical district of origin?	The requirements have been incorporated into those for evidence of origin.
ADVICE-40-005-05 Inclusion of manufacturing/trading sites in the company's Controlled Wood verification program	The requirements have been removed, as the revised standard does not require the clarification included in the Advice Note.
ADVICE-40-005-06 Public availability of risk assessments	The requirements have been incorporated into those for reporting, and Annex A.
ADVICE-40-005-07 Minimum content and revision of publicly available risk assessment results	
ADVICE-40-005-08 What to do in cases where two companies reach contradicting results in their risk assessments of a district?	The requirement has been removed, as it is applicable for certification bodies, and not the organization. See relevant accreditation standard <i>FSC-STD-20-011</i> .
ADVICE-40-005-09 Use of guidance and risk designations developed by FSC-accredited National Initiatives	Any additional national requirements shall be approved by FSC and included in <i>FSC-PRO-60-002b</i> . The standard references these and states that applicable national requirements are mandatory.



ADVICE-40-005-10 When shall an FSC Controlled Wood code be issued by the certification body?	The requirement has been removed, as it is applicable for certification bodies, and not the organization. See relevant accreditation standard <i>FSC-STD-20-011</i> .
ADVICE-40-005-11 Do other parts of the standard need to be implemented or evaluated for sales activities of FSC Controlled Wood?	Sales and purchases of FSC Controlled Wood are consistent with the standard <i>FSC-STD-40-004</i> .
ADVICE-40-005-12 Use of the Transparency International Corruption Perception Index (CPI) in risk assessments	The requirements have been incorporated into Annex A.
ADVICE-40-005-13 Is there any difference in the interpretation of High Conservation Value Forests (HCVF) between the FSC Controlled Wood standard and the FSC Principles and Criteria?	
ADVICE-40-005-14 How can low risk be confirmed for Category 'C' of FSC-STD-40-005 V2-1 Clause 1.1?	
ADVICE-40-005-15 Field verification audits, results, decision making and required actions.	The detailed requirements for field verification have been removed.
ADVICE-40-005-16 What is the sampling rate and pool that certification bodies shall use for field evaluations of supplies from sources with unspecified risk?	The requirements have been incorporated into Annex A.
ADVICE-40-005-17 Documentation and procedural requirements to demonstrate the geographical district of origin for co-products	The requirements have been updated and included in Section 2.
ADVICE-40-005-18 Independence of the company verification program	The requirements have been kept, and the scope of the standard and the requirements for the DDS do not allow the standard to be implemented by an organization to evaluate forests it owns or manages unless an FSC risk assessment for all five controlled wood categories has been scheduled for an area covering the supply units by 31 December 2017.
ADVICE-40-005-19 Applicable National and Local Laws and Regulations for Controlled Wood risk assessments and verification programs	The requirements have been incorporated into Annex A.
ADVICE-40-005-20 Sourcing of co-products under the EU Timber Regulation	



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